①

Supreme Court, U.S.
FILED

04-642 NOV 10 2004

OFFICE OF THE CLERK

No. 04-

IN THE

Supreme Court of the United States

DIPPIN' DOTS, INC.,

Petitioner,

v.

FROSTY BITES DISTRIBUTION, LLC

Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Eleventh Circuit

PETITION FOR A WRIT OF CERTIORARI

TODD E. STOCKWELL
STOCKWELL & ASSOCIATES
861 Corporate Drive
Suite 201
Lexington, Kentucky
(859) 223-3400

D. SCOTT HEMINGWAY
STORM & HEMINGWAY
8117 Preston Road
Suite 460
Dallas, Texas
(214) 292-8301

GREGORY A. CASTANIAS
(Counsel Of Record)
JONES DAY
51 Louisiana Avenue, N.W.
Washington, D.C. 20001
(202) 879-3939

TODD R. GEREMIA
JONES DAY
222 East 41st Street
New York, New York
(212) 326-3939

Attorneys for Petitioner

WILSON-EPES PRINTING CO., INC. – (202) 789-0096 – WASHINGTON, D. C. 20001

QUESTIONS PRESENTED

Section 43(a)(1)(A) of the Lanham Trade-Mark Act, 15 U.S.C. § 1125(a)(1)(A), prohibits the use of "any word, term, name, symbol, or device ... which ... is likely to cause confusion ... as to the origin, sponsorship, or approval of his or her goods."

The questions presented are:

1. Whether a court may determine as a matter of law that a defendant's use of an allegedly infringing trademark is not likely to cause consumer confusion when only one factor—similarity of the trademarks at issue—from a multi-factor test for determining likelihood of confusion is deemed to weigh in favor of the accused infringer, and *all* of the other factors, including evidence of actual and intended confusion, weigh in favor of the plaintiff.

2. Whether a product feature—in this case, the specific shades of colors that petitioner uses for ice cream products—may be denied protection as trade dress pursuant to the doctrine of "aesthetic functionality," a doctrine recognized by only a minority of the courts of appeals and that this Court has mentioned in dicta but never adopted.

CORPORATE DISCLOSURE STATEMENT

Petitioner Dippin' Dots, Inc. has no parent corporations, and there are no publicly held companies that hold 10% or more of petitioner's stock.

TABLE OF CONTENTS

Page

QUESTIONS PRESENTED i

CORPORATE DISCLOSURE STATEMENT ii

TABLE OF AUTHORITIES iv

INTRODUCTION 1

OPINIONS BELOW 4

JURISDICTION 4

PERTINENT STATUTORY PROVISIONS 4

STATEMENT OF THE CASE 5

REASONS FOR GRANTING THE PETITION 10

I. THE ELEVENTH CIRCUIT, IN CONFLICT WITH OTHER CIRCUITS, DECIDED LIKELIHOOD OF CONFUSION AS A MATTER OF LAW SOLELY ON A COMPARISON OF THE MARKS 10

II. THE COURT SHOULD RESOLVE WHETHER THE DOCTRINE OF AESTHETIC FUNCTIONALITY IS VIABLE 19

CONCLUSION 26

TABLE OF AUTHORITIES

PAGE

CASES

A & H Sportswear v. Victoria's Secret Stores,
237 F.3d 198 (3d Cir. 2000) 12

Abercrombie & Fitch Stores v. American Eagle Outfitters, 280 F.3d 619 (6th Cir. 2002) 23

AmBrit, Inc. v. Kraft, Inc., 812 F.2d 1531
(11th Cir. 1986) 10

American Chicle Co. v. Topps Chewing Gum,
208 F.2d 560 (2d Cir. 1953) 18

American Greetings Corp. v. Dan-Dee Imports,
807 F.2d 1136 (3d Cir. 1986) 23

Amstar Corp. v. Domino's Pizza, Inc.,
615 F.2d 252 (5th Cir. 1980) 16, 18

Beacon Mutual Ins. Co. v. OneBeacon Ins. Group,
376 F.3d 8 (1st Cir. 2004) 11

Beer Nuts, Inc. v. Clover Club Foods Co.,
711 F.2d 934 (10th Cir. 1983) 13, 14, 15

Brookfield Communications v. West Coast Entm't Corp., 174 F.3d 1036 (9th Cir. 1999) 13

Brunswick Corp. v. British Seagull,
35 F.3d 1527 (Fed. Cir. 1994) 24, 25

Brunswick Corp. v. Spinit Reel Co.,
832 F.2d 513 (10th Cir. 1987) 24

Clicks Billiards Inc. v. Sixshooters Inc.,
251 F.3d 1252 (9th Cir. 2001) 24

In re DC Comics, 689 F.2d 1043 (C.C.P.A. 1982)...............25

Daddy's Junky Music Stores v. Big Daddy's Family Music Ctr., 109 F.3d 275 (6th Cir. 1997) 18

Elvis Presley Enters. v. Capece,
141 F.3d 188 (5th Cir. 1998) 14

Ferrari S.p.A. v. Roberts, 944 F.2d 1235
(6th Cir. 1991)...23

Frisch's Rest., Inc. v. Shoney's Inc.,
759 F.2d 1261 (6th Cir. 1985) 16

Fuji Photo Film Co. v. Shinohara Shoji Kabushiki Kaisha, 754 F.2d 591 (5th Cir. 1985) 18

Gateway, Inc. v. Companion Prods., Inc.,
384 F.3d 503 (8th Cir. 2004) 11

Gray v. Meijer, Inc., 295 F.3d 641 (6th Cir. 2002)...............14

*Insty*Bit, Inc. v. Poly-Tech Indus., Inc.*,
95 F.3d 663 (8th Cir. 1996) 14, 15

IAM v. Winship Green Nursing Ctr.,
103 F.3d 196 (1st Cir. 1996)...14

John H. Harland Co. v. Clarke Checks, Inc.,
711 F.2d 966 (11th Cir. 1983) 24

Karoun Dairies Inc. v. Los Altos Food Prods.,
107 Fed. Appx. 785 (9th Cir. 2004)................................13

Kellogg Co. v. Pack'em Enters., Inc.,
951 F.2d 330 (Fed. Cir. 1991)..12

Lone Star Steakhouse & Saloon v. Alpha of Va.,
43 F.3d 922 (4th Cir. 1995)......................................16, 17

Lyons P'ship, L.P. v. Morris Costumes,
243 F.3d 789 (4th Cir. 2001)..16

Mobil Oil Corp. v. Pegasus Petroleum Corp.,
818 F.2d 254 (2d Cir. 1987)...16

Nabisco, Inc. v. Warner-Lambert Co.,
220 F.3d 43 (2d Cir. 2000)...12

Oreck Corp. v. U.S. Floor Sys.,
803 F.2d 166 (5th Cir. 1986)..16

Pagliero v. Wallace China Co.,
198 F.3d 339 (9th Cir. 1952)...................................20, 24

Patsy's Brand, Inc. v. I.O.B. Realty, Inc.,
317 F.3d 209 (2d Cir. 2003)...11

Pebble Beach Co. v. Tour 18 I Ltd.,
155 F.3d 526 (5th Cir. 1998)..23

Perini Corp. v. Perini Constr.,
915 F.2d 121 (4th Cir. 1990)..14

Publications Int'l, Ltd. v. Landoll, Inc.,
164 F.3d 337 (7th Cir. 1998)...................................22, 23

Qualitex Co. v. Jacobson Prods. Co.,
514 U.S. 159 (1995).......................................1, 3, 9, 20, 21

Schwinn Bicycle Co. v. Ross Bicycles, Inc.,
870 F.2d 1176 (7th Cir. 1989) 23

*Sun-Fun Prods. v. Suntan Research &
Dev't*, 656 F.2d 186 (5th Cir. Unit B 1981) 14

Thane Int'l v. Trek Bicycle Corp.,
305 F.3d 894 (9th Cir. 2002) 18

Thomas & Betts Corp. v. Panduit Corp.,
138 F.3d 277 (7th Cir. 1998) 14, 15, 18

*Tools USA & Equip. v. Champ Frame
Straightening Equip.*, 87 F.3d 654 (4th Cir. 1996) 16

TrafFix Devices v. Marketing Displays, Inc.,
532 U.S. 23 (2001) 1, 3, 19, 20, 21

Two Pesos, Inc. v. Taco Cabana, Inc.,
505 U.S. 763 (1992) 1

W.T. Rogers Co. v. Keene, 778 F.2d 334
(7th Cir. 1985) 23

Wal-Mart Stores v. Samara Bros., Inc.,
529 U.S. 205 (2000) 1, 3, 21

*Wallace Int'l Silversmiths v. Godinger Silver
Art Co.*, 916 F.2d 76 (2d Cir. 1990) 22, 23

Wesco Mfg. v. Tropical Attractions of Palm Beach,
833 F.2d 1484 (11th Cir. 1987) 8, 15

Woodsmith Publ'g Co. v. Meredith Corp.,
904 F.2d 1244 (8th Cir. 1990) 17

World Carpets, Inc. v. Dick Littrell's New World Carpets, 438 F.2d 482 (5th Cir. 1971) 17

STATUTES

15 U.S.C. § 1125(a) 1, 4, 5, 6, 10, 15

28 U.S.C. § 1254(1) 4

OTHER AUTHORITIES

Jerome Gilson & Anne Gilson LaLonde, *The Lanham Act: Time for a Face-lift?*, 92 TRADEMARK REP. 1013 (2002) 11

Melissa R. Gleiberman, Note, *From Fast Cars to Fast Food: Overbroad Protection of Product Trade Dress Under Section 43(a) of the Lanham Act*, 45 STAN. L. REV. 2037 (1993) 22

David J. Kera & Theodore H. Davis, Jr., *United States: The Fifty-Third Year of Administration of the Lanham Trademark Act of 1946*, 91 TRADEMARK REP. 1 (2001) 2

J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS & UNFAIR COMPETITION (4th ed. 2004) 2, 3, 14, 19, 20, 21, 22

RESTATEMENT (THIRD) OF UNFAIR COMPETITION 21

RESTATEMENT OF TORTS (1938) 18

Virginia S. Taylor & Andrea E. Parrish, *Dispositive Motions in Trademark Infringement Cases*, 2002 ALI-ABA PROGRAM MATERIALS, LITIGATING TRDEMARK, TRADE DRESS, AND UNFAIR COMPETITION CASES (Am. Law Inst. 2002) 2

Mitchell M. Wong, Note, *The Aesthetic Functionality Doctrine and the Law of Trade-Dress Protection*, 83 CORNELL L. REV. 1116 (1998)..................................3, 4

INTRODUCTION

The Court has in recent Terms focused on fundamental questions of trademark law that have divided the circuits. *See TrafFix Devices v. Marketing Displays, Inc.*, 532 U.S. 23, 29 (2001) (a "utility patent is strong evidence that the features therein claimed are functional," and thus not protectable as a trademark); *Wal-Mart Stores v. Samara Bros., Inc.*, 529 U.S. 205 (2000) (product design trade dress is not protectable unless it acquires distinction as an indicator of source). In these cases, the Court has painstakingly considered the circumstances under which product features are *protectable* as trademarks under federal law. *See id.*; *see also Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995) (color is protectable); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 766, 776 (1992) (restaurant motif trade dress may be protectable as "inherently distinctive"). But the Court has not yet had occasion in any of its modern decisions to address the issues that sharply divide the circuits on the next level of inquiry in trademark law: when is a protectable trademark *infringed*? This case presents, in stark terms, a fundamental question of trademark infringement on which the circuits are deeply divided.

The statutory test for infringement in trademark law is whether a defendant's use of a "word, term, name, symbol, or device" is "likely to cause confusion" with the plaintiff's use of its trademark. 15 U.S.C. § 1125(a). All circuits use a multi-factor test to answer this "likelihood-of-confusion" inquiry—tests which require courts to evaluate, among other evidence, whether consumers are *actually* confused by defendant's use of an allegedly infringing mark, and whether the defendant intended to cause confusion. Most of the circuits have held that a single factor in this test—the similarity of the marks at issue—cannot alone be determinative of likelihood of confusion as a matter of law. A minority of circuits have held to the contrary. With its decision in this case, the Eleventh Circuit has now joined the minority of circuits that permit summary disposition of a trademark infringement claim on the basis of *only* the similarity-of-the-marks factor.

In light of the growing, and "uncommonly large," number of trademark cases that parties now seek to resolve on motions for judgment as a matter of law, this Court should grant the petition and resolve this split on an issue that has long percolated in the courts of appeal. *See* David J. Kera & Theodore H. Davis, Jr., *United States: The Fifty-Third Year of Administration of the Lanham Trademark Act of 1946*, 91 TRADEMARK REP. 1, 106-07 (2001) (noting that "summary judgment is generally disfavored in trademark cases because of the inherently factual nature of most trademark disputes," but that more recently "courts [have] rushed to dismiss unfair competition claims as a matter of law, whether appropriately or inappropriately"); *see also* Virginia S. Taylor & Andrea E. Parrish, *Dispositive Motions in Trademark Infringement Cases*, 2002 ALI-ABA PROGRAM MATERIALS, LITIGATING TRADEMARK, TRADE DRESS, AND UNFAIR COMPETITION CASES 113, 120 (Am. Law Inst. 2002) ("Although likelihood of confusion is generally considered a question of fact, which is in dispute in virtually all trademark cases, grants of summary judgment on that issue are affirmed with increasing regularity."). Indeed, this case is a particularly well-suited vehicle for resolving the split among the circuits. The Eleventh Circuit here held that petitioner could not, as a matter of law, prevail on its trademark infringement claim because the similarity-of-the-marks factor weighed against petitioner, even though the court expressly ruled that *every other factor* in the likelihood-of-confusion analysis weighed in favor of petitioner, including evidence that respondent intended to confuse consumers and that consumers are *actually* confused by respondent's use of its allegedly infringing "Frosty Bites" logo. The first question presented is thus posed in particularly pristine terms by this case.

This case also squarely presents a second issue that has long divided the circuits and that has become further "clouded and obscured" by dicta in the Court's recent decisions. *See* 1 J. Thomas McCarthy, MCCARTHY ON TRADEMARKS & UNFAIR COMPETITION § 7:80, at 7-202 (4th ed. 2004). This Court's decisions in *TrafFix*, *Samara*, and *Qualitex* all discussed the trademark doctrine of functionality, under which a product feature is not protectable as trade dress if it is "essential to the use or purpose of the article or if it affects the cost or quality of the article." *Qualitex*, 514 U.S. at 165. But the Court has never addressed, except in dicta, the controversial doctrine of "aesthetic functionality," under which a product feature may be deemed unprotectable as trade dress if a court deems it "aesthetically pleasing." *Id.* at 164. Before *Qualitex* and *TrafFix*, nearly all of the circuits had rejected the aesthetic functionality doctrine. In light of "passing references" to the doctrine in those two decisions, however, it is now unclear whether the Court has "put some life in the fading theory of aesthetic functionality." 1 MCCARTHY ON TRADEMARKS § 7:80, at 7-201 (noting that "some are of [this] view"); *see also id.* § 7:81, at 7-212 ("The notion of 'aesthetic functionality' is an unwarranted and illogical expansion of the functionality policy, carrying it far outside the utilitarian rationale that created the policy.").

Indeed, the Eleventh Circuit's own decisions on this issue well illustrate the need for clear guidance. That court had once rejected the doctrine of aesthetic functionality. But, in this case, it has now embraced the doctrine by holding that respondent was entitled to copy the *exact* color scheme of petitioner's ice cream because that color scheme is an "aesthetic functionality." App. 12a n.9. To clarify whether aesthetic functionality is a viable doctrine, and to resolve a split on "one of the most troublesome [issues] in trademark law" that is certain only to deepen in light of the Court's ambiguous dicta in *TrafFix* and *Qualitex*, the Court should also grant the petition on the second question presented. *See* Mitchell M. Wong, Note, *The Aesthetic Functionality Doctrine and the Law of Trade-Dress Protection*, 83 CORNELL L. REV. 1116, 1118 (1998) ("Questions regarding functionality became increasingly difficult for courts to resolve as the focus of disputes turned from utilitarian designs to ornamental ones.... The bench has offered no clear response, and consequently, this 'aesthetic functionality' problem remains one of the most troublesome issues in trademark law." (footnote omitted)).

OPINIONS BELOW

The opinion of the Eleventh Circuit is reported at 369 F.3d 1197 and reprinted at App. 2a-18a. The order denying the petition for en banc rehearing is unreported and is reprinted at App. 1a. The district court's opinion is reported at 249 F. Supp. 2d 1346 (N.D. Ga. 2003), and reprinted at App. 19a-67a.

JURISDICTION

The judgment of the Eleventh Circuit was entered on May 11, 2004. Petitioner timely filed a petition for en banc rehearing, which was denied on July 13, 2004. On September 30, 2004, Justice Kennedy extended the time for filing this petition until November 10, 2004. This Court has jurisdiction under 28 U.S.C. § 1254(1).

PERTINENT STATUTORY PROVISIONS

Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), provides in pertinent part:

> (a) Civil Action
>
> (1) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device, or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which—
>
> (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or

> her goods, services, or commercial activities by another person * * *
>
> shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

STATEMENT OF THE CASE

1. Since 1988, petitioner, Dippin' Dots, Inc., has marketed and sold a "flash-frozen" ice cream product under the federally registered trademark "Dippin' Dots." App. 2a-3a. Dippin' Dots are sold in the form of small spheres or beads, each of which is distinctly colored, from colorful kiosks or stands at shopping malls, amusement parks, and sporting venues. *See id.* at 3a. To identify itself at these locations, petitioner uses a distinctive logo made up of blue, yellow, and pink spheres surrounding the product's registered trademark, "Dippin' Dots," printed in blue letters. *See id.* Petitioner touts its product with the tag line "Ice Cream of the Future." *See id.* 3a.

In the Fall of 1999, several of petitioner's former dealers decided to start a competing ice cream business selling a similar flash-frozen ice cream product. *See* App. 4a. Many of these dealers, while still under contract as dealers for petitioner, began secret preparation for this new business, which would later be conducted under respondent's name, "Frosty Bites." *See id.* Then, on March 16, 2000, eight of petitioner's former dealers terminated their contracts with petitioner and, the very next day, began selling a competing flash-frozen ice cream product from the same kiosks where they had sold petitioner's Dippin' Dots product the day before. *See id.* Overnight, respondent replaced the "Dippin' Dots" logo on the kiosks with its "Frosty Bites" logo. *See id.* And respondent also uses the exact same shades of colors on its ice cream as petitioner does. *See id.*

Respondent's logo consists of the Frosty Bites name against an ice-like background. *See id.* "Frosty Bites" is written in blue letters shadowed in pink, similar to the pastel colors that feature prominently in petitioner's "Dippin' Dots" logo. *See id.* The "o" in the word "Frosty" is depicted as the torso of a cartoon caricature of a penguin holding a cup of colored beads of ice cream. *See id.* Below the name is a tag line that touts respondent's product as "The Ultimate Ice Cream Sensation!" *See id.*

2. Petitioner brought claims against respondent under Section 43(a) of the Lanham Trade-Mark Act for infringement of (i) petitioner's "Dippin' Dots" logo, and (ii) petitioner's trade dress in the form of its unique, multi-colored, small beads of ice cream. *See* App. 4a. As set out above, Section 43(a) prohibits the use of "any word, term, name, symbol, or device" which is "likely to cause confusion ... as to the origin, sponsorship, or approval of his or her goods ...." 15 U.S.C. § 1125(a)(1)(A).

Respondent moved for summary judgment on both claims, and the district court granted the motion. *See* App. 5a. As to petitioner's claim for infringement of its logo, the district court ruled that the parties' respective logos are "so dissimilar" that petitioner could not, as a matter of law, show a "likelihood of confusion" between the two logos. *Id.* at 58a. The district court did not discuss or analyze any of the other six factors in the Eleventh Circuit's prescribed test for determining likelihood of confusion in a trademark infringement action. *See id.* at 58a-59a.

On petitioner's trade dress infringement claim, the district court held that petitioner's asserted trade dress was not protectable because it is functional. *See id.* at 52a. The court invoked what it considered two separate tests for determining functionality as set out in this Court's decision in *TrafFix Devices v. Marketing Displays, Inc.*, 532 U.S. 23, 32 (2001). *See* App. 53a-55a. First, a product feature is functional, and therefore not protectable as trade dress, if it is "essential to the use or purpose of the article or if it affects the cost or quality of the article." *TrafFix*, 532 U.S. at 32 (internal quotation marks omitted). Second, a product feature is functional if its exclusive use would "put competitors at a significant non-reputation-related disadvantage." *Id.* (internal quotation marks omitted).

The district court determined that, under either of these formulations of the test for functionality, the color of petitioner's ice cream is functional because it serves to identify flavor. *See* App. 53a, 55a. The court did not, however, address whether as a matter of law it could be deemed "essential" for respondent to use the precise same color shades that petitioner uses on its ice cream product, nor did it address whether respondent would be put to a "significant non-reputation-related disadvantage" if it were not permitted to use these exact same shades to color its ice cream.

The district court also separately determined that, under *TrafFix*, the size of the beads in petitioner's ice cream product was not entitled to trade dress protection because it was functional in that the small size of the beads facilitates service, affects the packaging, and affects the quality and taste of the ice cream. *See* App. 54a-55a.

3. On appeal, the Eleventh Circuit affirmed the district court's judgment. *See* App. 2a. The court of appeals acknowledged, however, that respondent's "usurpation of [petitioner's] business may have been immoral or unethical." *Id.* at 18a. And the court also ruled that, among other facts which weigh in favor of petitioner, petitioner's logo was strong, the parties' products and retail outlets are identical, and it was "unnecessary" for respondent to copy the precise color shades that petitioner uses for its ice cream. *See id.* at 12a, 16a & nn.7, 12. The Eleventh Circuit nevertheless believed that the Lanham Act compelled judgment as a matter of law for respondent.

In particular, on petitioner's claim for infringement of its "Dippin' Dots" logo, the court of appeals ruled that the district court erred by considering only the similarity of the parties' logos to hold that there was no likelihood of confusion as a matter of law. *See id.* at 15a. According to the Eleventh Circuit, however, the district court's likelihood-of-confusion determination was not erroneous even though, as the Eleventh Circuit expressly noted, *all* of the other factors in the Eleventh Circuit's test for likelihood of confusion favored petitioner, including evidence that respondent intended to confuse consumers and evidence that consumers were actually confused by respondent's use of its "Frosty Bites" logo. *See id.* at 16a & n.12.

Respondent had, for instance, made an overnight change to what had been Dippin' Dots kiosks to sell its identically colored Frosty Bites product from these same kiosks. *See* App. 4a. And respondent's own dealers even acknowledged under oath that there were instances of *actual* consumer confusion—a factor that is, for obvious reasons, considered weighty in determining whether there is a likelihood of consumer confusion. One of respondent's dealers flatly admitted that consumers would approach Frosty Bites stands and ask, "[I]s this Dippin' Dots[?]" (Plaintiff's Resp. to Defs'. Motion for Summ. J. on Plaintiff's Trade Dress Infringement Claim, Ex. F) And another testified, "Oh yeah. We get a lot of people that ask if it is Dippin' Dots ...." (*Id.* Ex. G)

The Eleventh Circuit acknowledged that other circuits—in its view, the Third and the Ninth—permit a court to consider only the similarity of the marks when determining whether there is a likelihood of consumer confusion. *See* App. 16a n.13. The Eleventh Circuit professed not to adopt this rule, however, in light of its own precedent holding that the "extent to which two marks are confusingly similar cannot be assessed without considering all seven [likelihood-of-confusion] factors to ensure that the determination is made in light of the totality of the circumstances." *Id.* at 15a (quoting *Wesco Mfg. v. Tropical Attractions of Palm Beach*, 833 F.2d 1484, 1488-89 (11th Cir. 1987)). Nevertheless, according to the Eleventh Circuit in this case, "our present seven-factor balancing test allows us to reach the same conclusion [as the

Third and Ninth Circuits] when the logos of directly competing goods are overwhelmingly dissimilar." *Id.* at 16a n.13. In other words, in the Eleventh Circuit a court may determine (and it did here) that there is no likelihood of confusion as a matter of law based *solely* on the similarity-of-the-marks factor, even if all of the other factors weigh in favor of the plaintiff.

On petitioner's trade dress infringement claim, the Eleventh Circuit agreed with the district court's ruling that the shape, size, and color of petitioner's ice cream product are functional features. *See* App. 8a-15a. As to the color of petitioner's product, the court of appeals held that "[t]he color [of petitioner's ice cream] is functional because it indicates the flavor of the ice cream." *Id.* at 8a-9a. The Eleventh Circuit also addressed, however, whether respondent is entitled to copy the "identical Pantone® colors" of petitioner's ice cream, that is, the exact same shades that petitioner uses for its ice cream. *Id.* at 12a n.9. The court acknowledged that "such exact copying is unnecessary" for respondent to compete. *Id.* Nevertheless, according to the Eleventh Circuit, the exact shades of color that petitioner uses on its ice cream can be deemed functional—and thus not protectable as trade dress—under the doctrine of "aesthetic functionality." *Id.*

As set forth in more detail below, under the controversial doctrine of aesthetic functionality—which the Eleventh Circuit embraced for the first time in this case and a majority of the courts of appeals have rejected—a product feature that does not serve a useful function or otherwise affect the cost or quality of an article (such as the specific shades of Pantone® colors that petitioner uses for its ice cream) may nevertheless be deemed functional if that feature is deemed "aesthetically pleasing." *See Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 164 (1995) (noting the doctrine in dicta, but not addressing whether it is viable).

4. Dippin' Dots petitioned the Eleventh Circuit for en banc rehearing. Petitioner argued, among other things, that the panel decision erroneously held, contrary to Eleventh Circuit precedent *but in accord with two other circuits*, that judgment as a matter of law is warranted in a trademark infringement case on the basis of *only* a court's visual comparison of the marks at issue. Petitioner also argued that the Eleventh Circuit erred by making an inappropriate and unwarranted finding of fact that the parties' competing logos are "so dissimilar" and that the court applied an erroneous standard for determining the functionality of petitioner's trade dress. The Eleventh Circuit denied the petition for en banc rehearing without an opinion on July 13, 2004, and this petition followed.

REASONS FOR GRANTING THE PETITION

I. THE ELEVENTH CIRCUIT, IN CONFLICT WITH OTHER CIRCUITS, DECIDED LIKELIHOOD OF CONFUSION AS A MATTER OF LAW SOLELY ON A COMPARISON OF THE MARKS

The statutory test for trademark infringement is whether the allegedly infringing mark is "likely to cause confusion" as to the source or sponsorship of the goods to which the mark is affixed. *See* 15 U.S.C. § 1125(a)(1)(A). Every circuit, including the Eleventh Circuit, has set out a multi-factor test used to answer the statutory question of likelihood of confusion. The Eleventh Circuit's list of factors is typical and is as follows:

> In determining whether a likelihood of confusion exists, the fact finder evaluates a number of elements including [the following seven factors]: the strength of the trade dress, the similarity of design, the similarity of the product, the similarity of retail outlets and purchasers, the similarity of advertising media used, the defendant's intent, and actual confusion.

AmBrit, Inc. v. Kraft, Inc., 812 F.2d 1531, 1538 (11th Cir. 1986) (footnote omitted).

Although there is general agreement among the circuits as to the factors used to determine the issue of likelihood of confusion in trademark infringement cases,[1] the circuits are split on whether a court may rely solely on one factor—the similarity of the trademarks at issue—to determine that there is no likelihood of confusion as a matter of law. *See generally* Jerome Gilson & Anne Gilson LaLonde, *The Lanham Act: Time for a Face-lift?*, 92 Trademark Rep. 1013, 1019 (2002) ("[T]he circuits are split on whether all factors must be considered in each case.").

1. As set out below, most circuits reject the notion that this single factor may be deemed dispositive of the likelihood-of-confusion inquiry. With its decision in this case, however, the Eleventh Circuit has now joined a minority of circuits holding that the likelihood-of-confusion element of a trademark infringement claim can be resolved, as a matter of law, *solely* on the basis of a visual comparison of the marks at issue. The Eleventh Circuit initially cited its own precedent for the proposition that it is error to "consider[] only the similarity of designs rather than all seven factors" in determining whether there is a likelihood of consumer confusion. App. 15a. But the court went on to rule that there was not, as a matter of law, a likelihood of confusion between the marks at issue on the sole basis of its

---

[1] *See, e.g., Beacon Mutual Ins. Co. v. OneBeacon Ins. Group*, 376 F.3d 8, 15 (1st Cir. 2004) ("[e]ight factors ... are typically used to assess the likelihood of confusion": similarity of the marks, similarity of the goods, parties' channels of trade, parties' advertising, classes of purchasers, actual confusion, defendant's intent, and strength of plaintiff's mark); *Patsy's Brand, Inc. v. I.O.B. Realty, Inc.*, 317 F.3d 209, 217-18 (2d Cir. 2003) (seven factors where parties' products are in direct competition: strength of plaintiff's mark, similarity of the marks, proximity of the products, actual confusion, defendant's good faith, quality of the products, and consumer sophistication); *Gateway, Inc. v. Companion Prods., Inc.*, 384 F.3d 503, 509 (8th Cir. 2004) (six factors: strength of plaintiff's mark, similarity of the marks, proximity of products, defendant's intent, actual confusion, and level of purchaser care).

own visual comparison of the marks. Indeed, the court expressly ruled that *all* six of the remaining likelihood-of-confusion factors favored petitioner, including evidence that respondent *intended* to confuse consumers by selling its flash-frozen ice cream product under a logo that respondent affixed to the very same kiosks where petitioner had sold its Dippin' Dots flash-frozen ice cream. Indeed, the court of appeals even pointed to evidence that consumers were not just "likely" to be confused by this conduct, but were *actually* confused by respondent's use of its "Frosty Bites" logo. App. 16a n.12.

The Second, Third, and Federal Circuits are in accord with the Eleventh in holding that the similarity-of-the-marks factor, standing alone, can dispose of the question of likelihood of confusion as a matter of law. The Second Circuit has held that the "similarity-of-the-marks" factor can be dispositive of the likelihood-of-confusion inquiry and that analysis of this factor alone can warrant summary judgment for a defendant. *Nabisco, Inc. v. Warner-Lambert Co.*, 220 F.3d 43, 46 (2d Cir. 2000). Likewise, the Third Circuit—in a decision on which respondent relied below—has held that, "[i]f products are directly competing, and the marks are clearly very similar, a district judge should feel free to consider only the similarity of the marks themselves." *A & H Sportswear v. Victoria's Secret Stores*, 237 F.3d 198, 214 (3d Cir. 2000). In the Federal Circuit as well, the similarity-of-the-marks factor can be dispositive of likelihood of confusion as a matter of law. *See Kellogg Co. v. Pack'em Enters.*, 951 F.2d 330, 332 (Fed. Cir. 1991) (upholding ruling by the Trademark Trial and Appeal Board that "[t]he similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression" was dispositive of the issue and warranted summary judgment in favor of applicant for federal trademark registration).

While the Ninth Circuit has no binding precedent on this issue, in an unpublished disposition it has affirmed summary judgment for a defendant in a trademark infringement case on the basis of its ruling that "[t]he most important factor in this case—similarity of the marks—clearly weighs in" defendant's favor. *See Karoun Dairies Inc. v. Los Altos Food Prods.*, 107 Fed. Appx. 785, 787-88 (9th Cir. 2004) (unpublished disposition; affirming summary judgment for defendant principally on the basis of the similarity-of-the-marks factor); *see also Brookfield Communications v. West Coast Entm't Corp.*, 174 F.3d 1036, 1054 (9th Cir. 1999) (stating in dicta that "[w]here the two marks are entirely dissimilar, there [can be] no likelihood of confusion" and ruling that similarity of "MovieBuff" and "moviebuff.com" weighed in favor, but was not dispositive, of finding likelihood of confusion).

2. By contrast to the Second, Third, and Federal Circuits, nearly all of the other circuits do not allow the similarity-of-the-marks factor to be dispositive of likelihood of confusion on a motion for judgment as a matter of law. The circuits in the majority reason, correctly, that the test is not whether consumers are likely to confuse the parties' *marks*, considered in isolation, but whether the defendant's *use* of its mark in the marketplace is likely to cause consumers to confuse defendant's goods with plaintiff's. For this reason, it is improper, on the majority view, to rely solely on a visual comparison of the parties' marks. The Tenth Circuit has cogently articulated the rationale:

> [T]he district court's resolution of the infringement claim [against plaintiff on a motion for a directed verdict] was improperly based on a side-by-side package comparison, although the parties presented evidence of other relevant factors ... *[T]he court erroneously equated likelihood of confusion with similarity.* Similarity must be considered along with the other factors set out ... to determine whether, under all the circumstances of the marketplace, confusion is likely.

Beer Nuts, Inc. v. Clover Club Foods Co., 711 F.2d 934, 941-42 (10th Cir. 1983) (emphasis added; citation omitted). One prominent commentator echoes the Tenth Circuit's reasoning: "A court should not indulge in a prolonged and minute comparison of the conflicting marks in the peace and quiet of judicial chambers .... *[T]he fundamental issue is whether the ordinary person in the marketplace is likely to be confused*, whether the decision-maker personally agrees or not." 3 MCCARTHY ON TRADEMARKS § 23:58, at 23-174.1, 23-175 (emphasis added; footnote omitted).

The First, Fourth, Fifth, Sixth, Seventh, and Eighth Circuits all adhere to the majority view as expressed by the Tenth Circuit.[2] Indeed, before it issued its decision in this case, the Eleventh Circuit had adhered to the rule that the "extent to which two marks are confusingly similar *cannot be assessed without considering all seven [likelihood of confusion] factors* to ensure that the determination is made in light of the totality of the circumstances." *Wesco Mfg. v. Tropical Attractions of Palm Beach*, 833 F.2d 1484, 1488 (11th Cir. 1987) (emphasis added). Now, contrary to a majority of the courts of appeals, the Eleventh Circuit has held that a court may dispose of a trademark infringement claim as a matter of law on the sole basis of a visual comparison of the marks at issue.

---

[2] *See IAM v. Winship Green Nursing Ctr.*, 103 F.3d 196, 201 (1st Cir. 1996) ("No one listed factor is determinative, and any other factor that has a tendency to influence the impression conveyed to prospective purchasers by the allegedly infringing conduct may be weighed by the judge or jury in gauging the likelihood of confusion."); *Perini Corp. v. Perini Constr., Inc.*, 915 F.2d 121, 127 (4th Cir. 1990) (stating that "no one factor is dispositive of the 'likelihood of confusion' inquiry," although acknowledging that sophistication of purchasers may, in certain circumstances, preclude a finding of likelihood of confusion); *Elvis Presley Enters. v. Capece*, 141 F.3d 188, 194 (5th Cir. 1998) (listing likelihood-of-confusion factors and then stating that "[n]o one factor is dispositive, and a finding of a likelihood of confusion does not even require a positive finding on a majority of these digits of confusion") (internal quotation marks omitted); *Sun-Fun Prods. v. Suntan Research & Dev't*, 656 F.2d 186, 189 (5th Cir. Unit B 1981) (reversing judgment as a matter of law for defendant in trade dress case because "[t]he district court's directed verdict was based upon only one of these [likelihood-of-confusion] factors, similarity of design"); *Gray v. Meijer, Inc.*, 295 F.3d 641, 646 (6th Cir. 2002) (affirming grant of summary judgment against defendant in a trademark infringement case and noting that "[n]one of these [likelihood-of-confusion] factors is dispositive of a plaintiff's case" on a motion for summary judgment); *Thomas & Betts Corp. v. Panduit Corp.*, 138 F.3d 277, 296 (7th Cir. 1998) (reversing summary judgment for defendant; holding that "[w]hen considering whether there is a likelihood of confusion, none of these factors considered alone is dispositive" and "[w]hen making its inquiry, the court must compare the

3. The Eleventh Circuit's decision is wrong and contrary to the plain statutory text of Section 43(a) of the Lanham Act. As the Tenth Circuit aptly explained, Congress proscribed the use of a mark that is "likely to cause confusion" as to the source or sponsorship of a defendant's goods; it did not proscribe the use of a mark that is merely visually similar to a plaintiff's mark. *See Beer Nuts*, 711 F.2d at 941-42. But under the Eleventh Circuit's rule a mark may be deemed non-infringing as a matter of law based solely on a visual inspection of the mark itself. This approach strays far from the statutory language and wrongly ignores *any* factors other than similarity of the marks, including actual consumer confusion and the defendant's intent to cause that confusion—both of which the Eleventh Circuit concluded were in the record here. Those latter factors are much more closely tied to the statutory language of Section 43(a), which prohibits the use of marks that are "likely to cause confusion," yet these factors were deemed

---

trade dresses in light of what happens in the marketplace, not merely by looking at the two . . . side-by-side") (internal quotation marks omitted); *Insty*Bit, Inc. v. Poly-Tech Indus., Inc.*, 95 F.3d 663, 670 (8th Cir. 1996) (reversing summary judgment for the defendant; "the district court erred in placing primary, if not exclusive, weight on its visual examination of the packaging of the [parties'] products").

totally irrelevant by the Eleventh Circuit's strict-visual-comparison approach here.

Because virtually every circuit has now weighed in on this important issue, the split is both deep and mature, and there is thus no need to allow the issue to percolate further in the lower courts. Moreover, this case is a particularly well-suited vehicle to address the circuit split. The Eleventh Circuit expressly ruled in this case that the similarity-of-the-marks factor—the sole factor that favored respondent in this case—may dispose of a trademark infringement claim as a matter of law, even though the court also expressly determined that every other likelihood-of-confusion factor, including evidence of *actual* consumer confusion, weighed in petitioner's favor. As set out above (at p. 8), respondent's own dealers have conceded, for example, that numerous consumers have *actually* been confused as to whether respondent marketed petitioner's Dippin' Dots product under the "Frosty Bites" logo.

Nearly all Circuits recognize that this proof of actual consumer confusion is the "best,"[3] "most persuasive,"[4] or "paramount"[5] evidence of a likelihood of confusion. *See*

---

[3] *Amstar Corp. v. Domino's Pizza, Inc.*, 615 F.2d 252, 263 (5th Cir. 1980) (evidence of actual confusion is the "best evidence" of likelihood of confusion); *Tools USA & Equip. Co. v. Champ Frame Straightening Equip.*, 87 F.3d 654, 660 (4th Cir. 1996) ("[E]vidence of actual customer confusion is patently the best evidence of likelihood of confusion.") (internal quotation marks omitted); *see also Frisch's Rest., Inc. v. Shoney's Inc.*, 759 F.2d 1261, 1267 (6th Cir. 1985) (evidence of actual confusion is "obviously the most probative proof").

[4] *Oreck Corp. v. U.S. Floor Sys.*, 803 F.2d 166, 173 (5th Cir. 1986); *see also Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254, 259 (2d Cir. 1987) (there is "no more positive or substantial proof" of likelihood of confusion than evidence of actual confusion).

[5] *See Lyons P'ship, L.P. v. Morris Costumes, Inc.*, 243 F.3d 789, 804 (4th Cir. 2001) (actual confusion "is often paramount" in an infringement analysis); *Lone Star Steakhouse & Saloon v. Alpha of Va.*, 43 F.3d 922,

also World Carpets, Inc. v. Dick Littrell's New World Carpets, 438 F.2d 482, 489 (5th Cir. 1971) ("There can be no more positive or substantial proof of the likelihood of confusion than proof of actual confusion."). For this reason, evidence of *actual* confusion is, in most circuits, sufficient to establish a triable issue as to *likelihood* of confusion.[6] The Ninth Circuit has aptly explained why:

> Evidence of actual confusion constitutes persuasive proof that future confusion is likely. This rule makes good sense. If enough people have been *actually* confused, then a *likelihood* that people are confused is established.
>
> This is not to say that evidence of actual confusion will always compel a jury to find likelihood of confusion. . . . But if a party produces evidence from which a reasonable jury could surmise that an *appreciable* number of people are confused about the source of the product, then it is entitled to a trial on the likelihood of confusion—although it will not necessarily prevail at that trial.

---

937 (4th Cir. 1995) (evidence of actual confusion is the "most compelling").

[6] Not all circuits agree. The Eighth Circuit has ruled that evidence of actual confusion is *not* sufficient to create a triable issue of likelihood of confusion:

> Though evidence of actual confusion may be the best evidence of likelihood of confusion, it is not conclusive of its existence. Therefore, a court may find such evidence insufficient to establish the existence of a genuine issue of material fact regarding likelihood of confusion.

Woodsmith Publ'g Co. v. Meredith Corp., 904 F.2d 1244, 1249 (8th Cir. 1990) (citation omitted). This petition thus also presents an opportunity for the Court to resolve the split in the circuits on how to treat evidence of actual confusion on a motion for judgment as a matter of law.

Thane Int'l v. Trek Bicycle Corp., 305 F.3d 894, 902 (9th Cir. 2002) (emphasis in original); *see also Fuji Photo Film Co. v. Shinohara Shoji Kabushiki Kaisha*, 754 F.2d 591, 597 (5th Cir. 1985) (holding that "evidence of actual confusion [is] the best evidence of likelihood of confusion" and that "very little proof of actual confusion would be necessary to prove the likelihood of confusion"); *Daddy's Junky Music Stores v. Big Daddy's Family Music Ctr.*, 109 F.3d 275, 284 (6th Cir. 1997) ("Bearing in mind that a successful Lanham Act plaintiff only must show a sufficient *potential* of confusion, not actual confusion, the fact that some confusion already has occurred favors plaintiff at least to some extent." (emphasis in original)); *Thomas & Betts*, 138 F.3d at 297 (reversing summary judgment for defendant; "evidence of actual confusion, where it exists, is entitled to substantial weight").

Similarly, as with actual confusion, courts have long recognized that a defendant's intent to confuse is "a critical factor, since if the mark was adopted with the intent of deriving benefit from the reputation of [the plaintiff] that fact alone 'may be sufficient to justify the inference that there is confusing similarity.'" *Amstar Corp. v. Domino's Pizza, Inc.*, 615 F.2d 252, 263 (5th Cir. 1980) (quoting RESTATEMENT OF TORTS § 729 cmt. f (1938)); *see also American Chicle Co. v. Topps Chewing Gum,* 208 F.2d 560, 562-63 (2d Cir. 1953) (L. Hand, J.) (explaining that a court "need no more" than evidence that a defendant intended to confuse consumers, "for he at any rate thinks that any differentia he adds will not, or at least may not, prevent the diversion and we are content to accept his forecast that he is 'likely' to succeed"). In this case, the Eleventh Circuit expressly noted evidence that respondent had a bad-faith intent to confuse consumers. See App. 16a & n.12. In particular, respondent made an overnight change to kiosks where petitioner had sold Dippin' Dots, simply affixed its "Frosty Bites" logo to these kiosks, and then sold from these very same kiosks a flash-frozen ice cream that was colored identically to petitioner's flash-frozen ice cream. It is hardly surprising, in light of this bad-faith conduct, that respondent "get[s] a lot of people" that ask, "[I]s this Dippin' Dots[?]" (Plaintiff's Resp. to Defs'. Motion for Summ. J. on Plaintiff's Trade Dress Infringement Claim, Exs. F, G)

In this case, however, the Eleventh Circuit has now made clear that, under its blunt rule—the same rule adopted by the Second, Third, and Federal Circuits—a court may grant judgment as a matter of law to a defendant even in the face of both actual confusion (which has, for good reason, been deemed the "best" evidence of likelihood of confusion) and evidence that the defendant intended to confuse consumers (which, likewise, has aptly been viewed as a "critical factor" in the likelihood-of-confusion analysis). This case thus starkly illustrates the contours and consequences of the Eleventh Circuit's rule that the similarity-of-the-marks factor, standing alone, can be dispositive of likelihood of confusion as a matter of law. The Court should grant the petition to resolve the circuit split on this issue and provide uniformity to this fundamental area of trademark law.

II. THE COURT SHOULD RESOLVE WHETHER THE DOCTRINE OF AESTHETIC FUNCTIONALITY IS VIABLE

There is a second reason why the Court should grant the petition in this case. The Eleventh Circuit ruled that respondent was permitted to copy the exact shades of colors that petitioner uses on its flash-frozen ice cream product because petitioner's use of these particular shades is an "aesthetic functionality." App. 12a n.9. While a majority of the courts of appeals has flatly rejected this controversial doctrine, this Court has recently suggested, in what one prominent commentator has called "confusing dictum," that aesthetic functionality may be a viable doctrine. *See* 1 McCarthy on Trademarks § 7:80, at 7-202 (discussing opinion for the Court in *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23 (2001)). This Court should grant the petition in this case to clarify this dictum and resolve whether aesthetic functionality is a viable doctrine.

"[T]rade dress protection may not be claimed for product features that are functional." *TrafFix*, 532 U.S. at 29. As this Court has stated, the traditional role of the functionality doctrine is to "prevent[] trademark law, which seeks to promote competition by protecting a firm's reputation, from instead inhibiting legitimate competition by allowing a producer to control a useful product feature." *Qualitex Co.*, 514 U.S. at 164. In the traditional, utilitarian sense of functionality, a product feature is deemed functional, and thus is not protectable as a trademark, "if it is essential to the use or purpose of the article or if it affects the cost or quality of the article." *Id.* at 165 (internal quotation marks omitted).

Under the controversial doctrine of "aesthetic functionality," however, a product feature can also be deemed functional if it is deemed "aesthetically pleasing." *Qualitex*, 514 U.S. at 169. The test for determining whether a feature is functional under this doctrine, although variously stated, was set out in a leading Ninth Circuit case as whether the product feature "is an important ingredient in the commercial success of the product." *See Pagliero v. Wallace China Co.*, 198 F.2d 339, 343 (9th Cir. 1952); *see also* 1 MCCARTHY ON TRADEMARKS § 7:80, at 7-203 (calling the Ninth Circuit's *Pagliero* definition the "classic ... definition of aesthetic functionality").

This Court has "never directly addressed aesthetic functionality as a dispositive issue in a case." 1 MCCARTHY ON TRADEMARKS § 7:80, at 7-201. In *Qualitex*, the Court held that "no special legal rule prevents color alone from serving as a trademark." 514 U.S. at 161. The Court did not rule on whether aesthetic functionality is a viable doctrine. But, in the course of addressing the so-called "color-depletion" theory—that is, the argument that color alone should not serve as a trademark because "colors are in limited supply," *id.* at 168—the Court invoked the doctrine of functionality as a safeguard against depleting the supply of available colors. As part of this discussion, the Court quoted the definition of aesthetic functionality from the RESTATEMENT (THIRD) OF UNFAIR COMPETITION and noted that color might serve a "nontrademark function" where it is used to "creat[e] esthetically pleasing designs." 514 U.S. at 170. In a later decision, *Wal-Mart Stores v. Samara Bros., Inc.*, 529 U.S. 205 (2000) (holding that product design may not be asserted as trade dress unless it has acquired "secondary meaning"), the Court picked up on its dicta from *Qualitex* (and acknowledged it as such) when it noted that "establish[ing] the nonfunctionality of [a] design feature" is "a showing that *may* involve consideration of its esthetic appeal." 529 U.S. at 214 (emphasis added).

Then, in Professor McCarthy's studied view, the Court's opinion in *TrafFix* "only further clouded and obscured the issue of whether aesthetic functionality is in fact to be given any weight." 1 MCCARTHY ON TRADEMARKS § 7:80, at 7-202. *TrafFix* resolved a circuit split over whether a product feature claimed in a utility patent is protectable as trade dress. The Court held that "[a] utility patent is strong evidence that the features therein claimed are functional." 532 U.S. at 29. And, in dicta, the Court discussed how the doctrine of functionality might have applied "if there ha[d] been no previous utility patent" covering the product feature in question—an issue not before the Court because a utility patent did in fact cover the feature in question. As part of this dicta, however, the Court characterized *Qualitex* to stand for the proposition that "[i]t is proper to inquire into a 'significant non-reputation-related disadvantage' in cases of esthetic functionality." *Id.* at 33. But *TrafFix* never addressed, nor did *Qualitex*, whether the doctrine of aesthetic functionality should be recognized.

The Eleventh Circuit has nevertheless seized on the Court's dicta in *TrafFix*. Invoking *TrafFix* as support, the court ruled in this case that the exact color shades petitioner uses for its ice cream is an "aesthetic functionality" and that if petitioner's competitors were precluded from using these precise shades they would be put at a "significant non-reputation-related disadvantage" under the formulation set out in this Court's *Qualitex* decision. App. 8a-9a n.7. This case thus squarely presents the issue of whether the aesthetic functionality doctrine is viable. Regardless of whether, as a general matter, the "color of ice cream is indicative of flavor," as the Eleventh Circuit ruled (App. 11a-12a), the only basis for its ruling that the *exact* shades petitioner uses on its ice cream products are functional was that these exact shades are aesthetically pleasing. Accordingly, the issue of whether aesthetic functionality is a viable doctrine is now ripe for resolution by this Court.

This issue is especially worthy of this Court's review because, while this Court has given "cryptic[]" indications that aesthetic functionality is a viable doctrine, 1 MCCARTHY ON TRADEMARKS § 7:80, at 7-202, the court of appeals are widely split in a manner that defies easy categorization. *See generally* Melissa R. Gleiberman, Note, *From Fast Cars to Fast Food: Overbroad Protection of Product Trade Dress Under Section 43(a) of the Lanham Act*, 45 Stan. L. Rev. 2037, 2046-47 (1993) ("[I]t is unclear what remains of aesthetic functionality. Standards vary among the circuits, and even individual opinions often contain conflicting language.").

The Second Circuit has rejected the traditional view that the doctrine of aesthetic functionality denies trade dress protection to any feature that is "an important ingredient in the commercial success" of the product. *Wallace Int'l Silversmiths v. Godinger Silver Art Co.*, 916 F.2d 76, 79 n.1 (2d Cir. 1990) (calling this formulation, derived from the Ninth Circuit's *Pagliero* decision, "widely criticized"). The Second Circuit has not rejected the doctrine outright, however. Rather, in the Second Circuit's view, a feature is aesthetically functional where it is an "ornamental feature" that, if protected as a trademark, "would significantly hinder competition by limiting the range of adequate alternative designs." *Id.* at 81. To demonstrate the degree of variation on this issue, if the Second Circuit's standard for aesthetic functionality were applied here, petitioner's color scheme would not be deemed functional, because there are of course numerous alternative shades that respondent can use for its ice cream.

The Third and Fifth Circuits have expressly rejected the doctrine of aesthetic functionality. *See American Greetings Corp. v. Dan-Dee Imports,* 807 F.2d 1136, 1142 (3d Cir. 1986) (ruling that a feature must "have a significant relation to the utilitarian function of the product before it [can] be declared functional"); *Pebble Beach Co. v. Tour 18 I Ltd.*, 155 F.3d 526, 540 n.6 (5th Cir. 1998) ("This circuit has rejected the doctrine of aesthetic functionality.").

The Sixth Circuit at first rejected, *see Ferrari S.p.A. Esercizio Fabriche Automobili E Corse v. Roberts*, 944 F.2d 1235, 1247 (6th Cir. 1991) ("[A]esthetic functionality will not preclude a finding of nonfunctionality where the design also indicates source."), but, in light of the dicta in *TrafFix* now appears to have embraced, aesthetic functionality. *See Abercrombie & Fitch Stores v. American Eagle Outfitters,* 280 F.3d 619, 641 (6th Cir. 2002) (holding that asserted trade dress in a style of clothing was unprotectable as aesthetically functional). Similarly, the Seventh Circuit appears to have at first rejected the doctrine of aesthetic functionality, *see W.T. Rogers Co. v. Keene*, 778 F.2d 334, 343 (7th Cir. 1985) ("[T]he fact that a design feature is attractive does not . . . preclude its being trademarked."), but later embraced the theory in holding that a district court erred by ignoring the "pleasing aspect" of a product design in considering whether it was "aesthetically functional." *Schwinn Bicycle Co. v. Ross Bicycles, Inc.*, 870 F.2d 1176, 1191 (7th Cir. 1989) (holding that "[i]t was an error of law for the district court to ignore the 'pleasing' aspect in determining the functionality of the overall design"). More recently, the Seventh Circuit has noted that aesthetic functionality is not an objectionable doctrine "in principle," but that "the critics who argue that in application the concept is mischievously vague certainly have a point." *Publications Int'l, Ltd. v. Landoll, Inc.*, 164 F.3d 337, 339 (7th Cir. 1998) (Posner, C.J.).

As noted, the doctrine of aesthetic functionality traces its roots to the Ninth Circuit's decision in *Pagliero*. The Ninth Circuit has more recently (and confusingly) held, however, that, "Nor has this circuit adopted the 'aesthetic functionality' theory, that is, the notion that a purely aesthetic feature can be functional." *Clicks Billiards Inc. v. Sixshooters Inc.*, 251 F.3d 1252, 1260 (9th Cir. 2001) ("[T]rade dress cannot be both 'functional and purely aesthetic.' Such a formulation is internally inconsistent and at odds with the commonly accepted view that functionality denotes utility.").

The Tenth Circuit has indicated, in dicta, that it might adopt the doctrine of aesthetic functionality: "Because a function of certain products is aesthetic appeal, a feature intrinsic to the aesthetic appeal of those products may not be entitled to trademark protection." *Brunswick Corp. v. Spinit Reel Co.*, 832 F.2d 513, 519 (10th Cir. 1987). But it has never actually applied the doctrine.

The Eleventh Circuit had previously held that a jury instruction which stated that a feature is functional if it "appeals to the consumer and *affects* his or her choice" was "overly broad," and thus appeared to have rejected the doctrine of aesthetic functionality. *See John H. Harland Co. v. Clarke Checks, Inc.*, 711 F.2d 966, 983 n.27 (11th Cir. 1983) (emphasis in original). In this case, however, the Eleventh Circuit has now embraced the doctrine, holding that the precise colors of petitioner's ice cream product are not protectable as trade dress because they serve "aesthetic functions." App. 8a, 12a nn.7, 9.

Finally, the Federal Circuit has rejected the doctrine of aesthetic functionality by reaffirming a Court of Custom and Patent Appeals decision that rejected the doctrine. *See*

Brunswick Corp. v. British Seagull, 35 F.3d 1527, 1532 (Fed. Cir. 1994) (noting that in *In re DC Comics*, 689 F.2d 1043 (C.C.P.A. 1982), the Court of Customs and Patent Appeals "specifically rejected the notion that purely aesthetic features can in themselves confer utilitarian functionality on a proposed mark").

* * *

As the above discussion demonstrates, the federal circuits are sharply divided over whether to recognize the doctrine of aesthetic functionality and, if so, how to formulate the doctrine. The Eleventh Circuit's decision in this case only deepens the existing circuit split. Because this Court's own decisions do not provide clear guidance on this frequently recurring issue—an issue on which turns the protectability of petitioner's color scheme for its Dippin' Dots ice cream—the Court should grant the petition and decide whether the doctrine of aesthetic functionality is viable.

CONCLUSION

The petition for a writ of certiorari should be granted.

Respectfully submitted,

TODD E. STOCKWELL
STOCKWELL & ASSOCIATES
861 Corporate Drive
Suite 201
Lexington, Kentucky
(859) 223-3400

D. SCOTT HEMINGWAY
STORM & HEMINGWAY
8117 Preston Road
Suite 460
Dallas, Texas
(214) 292-8301

GREGORY A. CASTANIAS
(Counsel Of Record)
JONES DAY
51 Louisiana Avenue, N.W.
Washington, D.C. 20001
(202) 879-3939

TODD R. GEREMIA
JONES DAY
222 East 41st Street
New York, New York
(212) 326-3939

Attorneys for Petitioner

November 10, 2004

APPENDIX

IN THE UNITED STATES COURT OF APPEALS FOR THE ELEVENTH CIRCUIT

DIPPIN' DOTS, INC., Plaintiff-Appellant,
v.
FROSTY BITES DISTRIBUTION, LLC,
Defendant-Appellee.

NO. 03-14047
FILED JULY 13, 2004.

On Appeal from the United States District Court for the Northern District of Georgia.

ON PETITION(S) FOR REHEARING AND PETITION(S) FOR REHEARING EN BANC

(Opinion ______, 11th Cir., 19__, ___F.3d ___.)

Before DUBINA and COX, Circuit Judges, and OWENS[*], District Judge.

PER CURIAM:

The Petition(s) for Rehearing are DENIED and no Judge in regular active service on the Court having requested that the Court be polled on rehearing en banc (Rule 35, Federal Rules of Appellate Procedure), the Petition(s) for Rehearing En Banc are DENIED.

ENTERED FOR THE COURT:

s/ JOEL F. DUBINA

UNITED STATES CIRCUIT JUDGE

---

[*] Honorable Wilbur D. Owens, Jr., United States District Judge for the Middle District of Georgia, sitting by designation.

[Reported at 369 F.3d 1197]

IN THE UNITED STATES COURT OF APPEALS FOR THE ELEVENTH CIRCUIT

DIPPIN' DOTS, INC., Plaintiff-Appellant,
v.
FROSTY BITES DISTRIBUTION, LLC, Defendant-Appellee.

NO. 03-14047
DECIDED MAY 11, 2004
FILED MAY 11, 2004.

Appeal from the United States District Court for the Northern District of Georgia.

Before DUBINA and COX, Circuit Judges, and OWENS[*], District Judge.

DUBINA, Circuit Judge:

Plaintiff-Appellant Dippin' Dots, Inc. ("DDI") brought suit against Defendant-Appellee Frosty Bites Distribution, LLC ("FBD") alleging trade dress infringement of DDI's product design and logo design, both in violation of the Lanham Act, 15 U.S.C. § 1125. The district court granted summary judgment in favor of FBD on both claims. For the reasons that follow, we affirm the judgment of the district court.

I. BACKGROUND

A. *Facts*

Plaintiff DDI markets and sells a brightly-colored flash-frozen ice cream product, called "dippin' dots," consisting of free flowing small spheres or beads[1] of ice cream. Curtis Jones, DDI's founder, applied for and received Patent No. 5,126,156 ("Patent '156") for the method DDI uses to make dippin' dots. Patent '156 contains six steps: (1) preparing an alimentary ice cream composition for freezing, (2) dripping said composition into a freezing chamber, (3) freezing said composition into beads, (4) storing said beads at a temperature at least as low as -20° F so as to maintain said beads free flowing for an extended period of time, (5) bringing said beads to a temperature between substantially -10° F and -20° F prior to serving, and (6) serving said beads for consumption at a temperature between substantially -10° F and -20° F so that the beads are free flowing when served.[2] DDI is the exclusive licensee of Patent '156.

---

[*] Honorable Wilbur D. Owens, Jr., United States District Judge for the Middle District of Georgia, sitting by designation.

DDI primarily sells its dippin' dots from colorful kiosks or stands at amusement parks, sporting venues, and shopping malls. To identify itself at these locations, DDI has a distinctive logo made up of an oval of blue, yellow, and pink spheres surrounding the product name, "dippin' dots," in blue letters. Below this oval of spheres is a tag line touting dippin' dots as the "Ice Cream of the Future."

Defendant FBD makes and sells a competing brightly-colored flash-frozen ice cream product, called "frosty bites," consisting of mostly small popcorn-shaped, along with some spherical-shaped, ice cream bites. FBD creates its product by streaming and dripping an ice cream solution into liquid nitrogen where it freezes and forms beads and clusters of frozen ice cream. The frozen product then passes through a "cluster buster," where the clusters are broken down into smaller pieces. The product then moves through a system of conveyor belts, further breaking the ice cream into small beads and popcorn-like clusters.

---

[1] "'Beads' means 'small frozen droplets . . . which have a smooth, spherical (round or ball shaped) appearance." [R. Vol. 108 at 3.]

[2] If the flash-frozen ice cream is consumed while too cold, it will burn the mouth of the consumer.

FBD principally sells its frosty bites from booths and kiosks. To identify itself, FBD has a distinctive logo consisting of an ice-like background upon which the words "Frosty Bites" are written in blue letters shadowed in pink. The "o" in the word "Frosty" is the torso of a cartoon caricature of a portly penguin holding a cup of yellow, green, blue, and red nuggets of ice cream. Below the words is a tag line touting frosty bites as "The Ultimate Ice Cream Sensation!"

In the Fall of 1999, several of DDI's retail dealers secretly started the FBD business while still under contract with DDI to sell dippin' dots at various locations.[3] On March 16, 2000, eight of these dealers terminated their contracts with DDI. The following day, without changing locations, they began selling their frosty bites under the "Frosty Bites" logo.

B. *Procedural History*

DDI filed suit against FBD alleging infringement of DDI's trade dress (1) in the form of its unique, flash-frozen ice cream product, and (2) in the form of its unique logo design, both in violation of the Lanham Act, 15 U.S.C. § 1125.[4] FBD moved for summary judgment.

---

[3] We assume this allegation to be true because we make all reasonable inferences in favor of DDI, the non-movant, for the purposes of determining whether a grant of summary judgment is appropriate. *See Pennington v. City of Huntsville*, 261 F.3d 1262, 1265 (11th Cir. 2001).

[4] DDI also alleged (1) patent infringement, (2) violations of the Uniform Trade Secrets Act ("UTSA"), 18 U.S.C. § 1905, and (3) breach of contract. The district court granted FBD's motions for summary judgment on the patent infringement and UTSA claims. The district court granted DDI's motion for summary judgment on the breach of contract claim, awarding damages in the amount of $1,221.48 for unpaid product properly delivered to FBD. In addition, FBD counterclaimed against DDI for antitrust violations. The district court granted DDI's motion for summary judgment on this counterclaim. None of these claims were appealed.

The district court granted FBD's motion for summary judgment finding that (1) DDI's product design—small, predominantly separated colored beads or pieces of ice cream—is functional and therefore not subject to trade dress protection, and (2) DDI's and FBD's logos are so dissimilar that, as a matter of law, DDI cannot prove any likelihood of consumer confusion as to the source of the products. *In re Dippin' Dots Patent Litig.*, 249 F. Supp. 2d 1346, 1373-74 (N.D. Ga. 2003). DDI timely filed this appeal.

II. STANDARDS OF REVIEW

This court reviews a grant of summary judgment *de novo*, applying the same legal standards that governed the district court. *Levinson v. Reliance Standard Life Ins. Co.*, 245 F.3d 1321, 1325 (11th Cir. 2001). Summary judgment is appropriate when "there is no genuine issue as to any material fact and . . . the moving party is entitled to a judgment as a matter of law." Fed. R. Civ. P. 56(c). "[W]e review the facts and all reasonable inferences in the light most favorable to the non-moving party." *Pennington v. City of Huntsville*, 261 F.3d 1262, 1265 (11th Cir. 2001).

III. ISSUES

1. Whether DDI's product design is functional and therefore not subject to trade dress protection.

2. Whether a reasonable likelihood of confusion exists between DDI's logo and FBD's logo.

IV. ANALYSIS

Section 43(a) of the Lanham Act states that

> (1) Any person who, on or in connection with any goods or services, . . . uses in commerce any word, term, name, symbol, or device, . . . or any false designation of origin, . . . which
>
> (A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, . . . of such person with another person, . . .

> shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.

15 U.S.C. § 1125(a)(1).

A. *Trade dress infringement of DDI's product design*

Section 43(a) creates a federal cause of action for trade dress infringement. *AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531, 1535 (11th Cir. 1986). "The term 'trade dress' refers to the appearance of a product when that appearance is used to identify the producer." *Publications Int'l, Ltd. v. Landoll, Inc.*, 164 F.3d 337, 338 (7th Cir. 1998). " 'Trade [d]ress' involves the total image of a product and may include features such as size, shape, color ..., texture, graphics, or even particular sales techniques." *AmBrit*, 812 F.2d at 1535 (internal quotation omitted). In order to prevail on this claim for trade dress infringement under § 43(a), DDI must prove that (1) the product design of the two products is confusingly similar; (2) the features of the product design are primarily non-functional; and (3) the product design is inherently distinctive or has acquired secondary meaning. *Epic Metals Corp. v. Souliere*, 99 F.3d 1034, 1038 (11th Cir. 1996); *see also* 15 U.S.C. § 1125(a)(3) ("[T]he person who asserts trade dress protection has the burden of proving that the matter sought to be protected is not functional."); *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 29, 121 S. Ct. 1255, 1259, 149 L. Ed. 2d 164 (2001) (stating that "trade dress protection may not be claimed for product features that are functional"). "[A]s all three elements are necessary for a finding of trade dress infringement, any one could be characterized as threshold." *Epic Metals*, 99 F.3d at 1039. Because we conclude that DDI has not met its burden of establishing the non-functionality of its product design[5], we decline to address the other two elements of the claim.

---

[5] DDI argues that FBD failed to present any evidence of functionality and therefore DDI should prevail on this issue. DDI's argument is misguided as it improperly shifts the burden of proof to FBD. *See* 15

"The functionality doctrine prevents trademark law, which seeks to promote competition by protecting a firm's reputation, from instead inhibiting legitimate competition by allowing a producer to control a useful product feature." *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 164, 115 S. Ct. 1300, 1304, 131 L. Ed. 2d 248 (1995); *see also In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332, 1336 (C.C.P.A. 1982) ("This requirement of 'nonfunctionality' . . . has as its genesis the judicial theory that there exists a fundamental right to compete through imitation of a competitor's product, which right can only be temporarily denied by the patent or copyright laws."). "Functional features are by definition those likely to be shared by different producers of the same product and therefore are unlikely to identify a particular producer." *Landoll*, 164 F.3d at 340. "[T]hese features cannot be appropriated; otherwise, competitors would be prevented from duplicating the new product even to the extent permitted by the branches of the law of intellectual property that protect innovation rather than designations of source." *Id.*

"The line between functionality and non-functionality is not . . . brightly drawn." *Epic Metals*, 99 F.3d at 1039 (internal quotations omitted). Nonetheless, two tests exist for determining functionality. *See id.* Under the first test, commonly referred to as the traditional test, " 'a product feature is functional . . . if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.'" *TrafFix*, 532 U.S. at 32, 121 S. Ct. at 1261 (quoting *Qualitex*, 514 U.S. at 165, 115 S. Ct. at 1304). Under the second test, which is commonly called the competitive necessity test and generally applied in cases of aesthetic

---

U.S.C. § 1125(a)(3). This burden does not shift, even at summary judgment. DDI presented insufficient evidence to create a genuine issue of fact as to non-functionality.

functionality, "a functional feature is one the 'exclusive use of [which] would put competitors at a significant non-reputation-related disadvantage.'" *Id.* (quoting *Qualitex*, 514 U.S. at 165, 115 S. Ct. at 1304). Where the design is functional under the traditional test, "there is no need to proceed further to consider if there is a competitive necessity for the feature." *Id.* at 33, 121 S. Ct. at 1262.

The features of product design that we must analyze in this case are the size, color, and shape of dippin' dots. DDI argues that the district court erred because it did not consider the functionality of DDI's product design *as a whole*, but rather erroneously analyzed each element independently. *See AmBrit*, 812 F.2d at 1538 (stating that a court should consider the totality of the trade dress features).[6] DDI mischaracterizes the district court's analysis. As this court has stated, "[a]lthough we have described the elements of the [products] that are [dis]similar, we are not making a comparison of individual elements. Rather, we are explaining why the overall impression of each [product] is [dis]similar. The district court correctly followed this same approach." *Id.* at 1541, n. 48.

Furthermore, the product design of dippin' dots in its individual elements and as a whole is functional under the traditional test.[7] The color is functional because it indicates the flavor of the ice cream, for example, pink signifies strawberry, white signifies vanilla, brown signifies chocolate, etc. *See, e.g., Qualitex,* 514 U.S. at 163, 115 S. Ct. at 1303 (explaining that "the words 'Suntost Marmalade,' on a jar of orange jam immediately . . . signal a brand or a product 'source'; the jam's orange color does not do so"); *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 853, 856, 102 S. Ct. 2182, 2188-89, 72 L. Ed. 2d 606 (1982) (concluding that district court did not err in finding that colors of certain prescription drugs were functional because, *inter alia*, many patients associated color with therapeutic effect); *Warner Lambert Co. v. McCrory's Corp.*, 718 F. Supp. 389, 396 (D.N.J.1989) (finding that in the mouthwash field, an amber colored liquid signifies a medicinal-tasting product, red signifies a cinnamon flavor, blue signifies peppermint, and green signifies mint). The district court took judicial notice of the fact that color indicates flavor of ice cream. DDI argues that such judicial notice was improper. We disagree.

---

[6] *AmBrit* is distinguishable because it analyzes the packaging of identical ice cream products, to wit "competitively priced, five ounce, stickless, chocolate-covered ice cream bars," rather than the products themselves. *AmBrit*, 812 F.2d at 1541. This distinction does not, however, alter the application of the law as enunciated in *AmBrit*.

[7] Likewise, the color, shape, and size of dippin' dots are "aesthetic functions" that easily satisfy the competitive necessity test because precluding competitors like FBD from copying any of these aspects of dippin' dots would eliminate all competitors in the flash-frozen ice cream market, which would be the ultimate non-reputation-related disadvantage. *See TrafFix*, 532 U.S. at 32-33, 121 S. Ct. at 1261-62. Therefore, DDI's argument that FBD could still compete in the ice cream market by producing, e.g., soft-serve ice cream, which would not have

Judicial notice is a means by which adjudicative facts not seriously open to dispute are established as true without the normal requirement of proof by evidence. Fed. R. Evid. 201(a) and (b); *see also* Fed. R. Evid. 201(a) advisory committee's note (explaining that it is proper to take judicial notice of facts with a "high degree of indisputability" that are "outside the area of reasonable controversy"). Adjudicative

---

many of the same functional elements as dippin' dots and thus would not infringe upon DDI's product trade dress, is unavailing. FBD does not want to compete in the ice cream business; it wants to compete in the flash-frozen ice cream business, which is in a different market from more traditional forms of ice cream [R. Vol. 245 at 54]. *See 3* Louis Altman, *Callmann on Unfair Competition, Trademarks and Monopolies* § 19:7, at 79 (4th ed. 2003) (stating that "functionality . . . is not to be determined within the broad compass of different but interchangeable products; the doctrine of functionality is intended to preserve competition within the narrow bounds of each *individual* product market").

facts are facts that are relevant to a determination of the claims presented in a case. *Id.*

One category of adjudicative facts subject to judicial notice (and the only category relevant in this case) is facts that are "generally known within the territorial jurisdiction of the trial court." Fed. R. Evid. 201(b). Such judicially-noticed facts are of breathtaking variety. *See, e.g., Friend v. Burnham & Morrill Co.*, 55 F.2d 150, 151-52 (1st Cir. 1932) (noting the method for canning baked beans in New England); *Seminole Tribe of Fla. v. Butterworth*, 491 F. Supp. 1015, 1019 (S. D. Fla. 1980), *aff'd*, 658 F.2d 310 (5th Cir. 1981) (noting that bingo is largely a senior citizen pastime); *First Nat'l Bank of South Carolina v. United States*, 413 F. Supp. 1107, 1110 (D.S.C. 1976), *aff'd*, 558 F.2d 721 (4th Cir. 1977) (noting that credit cards play vital role in modern American society); *Carling Brewing Co. v. Philip Morris, Inc.*, 277 F. Supp. 326, 330 (N.D. Ga. 1967) (noting that most establishments that sell beer also sell tobacco products); *Colourpicture Publishers, Inc. v. Mike Roberts Color Prods., Inc.*, 272 F. Supp. 280, 281 (D. Mass. 1967), *vacated on other grounds*, 394 F.2d 431 (1st Cir. 1968) (noting that calendars have long been affixed to walls by means of a punched hole at the top of the calendar).

A court may take judicial notice of appropriate adjudicative facts at any stage in a proceeding, including at the summary judgment stage. *See* Fed. R. Evid. 201(f). While a court has wide discretion to take judicial notice of facts, *see* Fed. R. Evid. 201(c), the "taking of judicial notice of facts is, as a matter of evidence law, a highly limited process." *Shahar v. Bowers*, 120 F.3d 211, 214 (11th Cir. 1997). "The reason for this caution is that the taking of judicial notice bypasses the safeguards which are involved with the usual process of proving facts by competent evidence in district court." *Id.* In order to fulfill these safeguards, a "party is entitled . . . to an opportunity to be heard as to the propriety of taking judicial notice." Fed. R. Evid. 201(e).

In this case, the district court took judicial notice of the fact that color is indicative of flavor in ice cream. This fact is adjudicative in nature and is generally known among consumers.[8] In addition, the district court specifically questioned DDI's counsel regarding the propriety of taking judicial notice of the fact:

> THE COURT:--would you agree that I could take judicial notice that chocolate ice cream is, generally speaking, brown, vanilla is white, strawberry is pink?
>
> [COUNSEL]: I think you could do that, I think you could, sir, but I think it would be appropriate to acknowledge that sometimes it's not. Chocolate can be white. I mean, that's not an uncommon occurrence. Certainly with M&M's, chocolate comes sometimes in a blue color.
>
> THE COURT: I'm just talking about ice cream.
>
> [COUNSEL]: Yes, sir.
>
> THE COURT: Ice cream is, generally speaking, chocolate is brown, vanilla is white, and strawberry is pink.
>
> [COUNSEL]: That's correct, sir, but it's not necessarily so.

[R. Vol. 326 at 43.] Therefore, the district court properly took judicial notice of the fact that the color of ice cream is indicative of its flavor. Likewise, we, who also questioned DDI's counsel at oral argument regarding the propriety of taking judicial notice, take judicial notice of the fact that color of ice cream is indicative of flavor.[9] Accordingly, we conclude that color is functional in this case because it is essential to the purpose of the product and affects its quality.

---

[8] DDI argued at oral argument that because a color does not necessarily indicate one particular flavor, such fact is not "generally known" and therefore cannot be judicially noticed. DDI's argument is misguided. In order to judicially notice that color is indicative of flavor, it is not necessary that consumers generally know that, for example, pink coloring denotes strawberry ice cream. Rather, it is necessary that consumers generally know that pink coloring denotes some flavor of ice cream, for example, strawberry, bubble gum, or cherry.

Size is also functional in this case because it contributes to the product's creamy taste, which would be different in a larger "dot." Plaintiff produced materials that emphasized how the quick freezing of tiny round beads was crucial to the taste and consistency of the product because the Patent '156 method of freezing tiny beads reduced the number of ice crystals in the product. [R. Vol. 249 Ex. C ¶ 4; R. Vol. 168 Ex. 3.] It necessarily follows that larger pieces of ice cream, which would take longer to freeze, would have increased ice crystals, thus affecting the creamy quality of the finished product. This is further evidenced by DDI founder Jones's Declaration of Commercial Success, submitted to the Patent

---

[9] DDI also argues that FBD has unnecessarily copied the "identical Pantone® colors" of its ice cream and such copying infringes upon dippin' dots' unique trade dress. [Appellant's Br. at 20.] While it is true that such exact copying is unnecessary, it does not follow that such copying violates the Lanham Act. *See TrafFix*, 532 U.S. at 32-33, 121 S. Ct. at 1261-62 (stating that the appellate court erred when it applied, as a necessary test, the competitive necessity test because "a feature is also functional when it is essential to the use or purpose of the device or when it affects the cost or quality of the device.... Functionality having been established, . . . [t]here is no need . . . to engage . . . in speculation about other design possibilities"). As the Seventh Circuit noted in *Landoll*, notwithstanding existing alternatives, the color on the allegedly infringing product was an "aesthetic functionality" and therefore could be freely copied. *Landoll*, 164 F.3d at 342. In *Landoll*, the plaintiff argued, much like DDI argues here, that the allegedly infringing cookbooks' pages could have been gilded a color other than gold, which was the color of the plaintiff's cookbooks' gilded pages. *Id.* The court stated, however, that, because "[g]old connotes opulence" and is "a natural color to use on a fancy cookbook," a "different color on [plaintiff's] page ends would have a better claim to be a source signifier; compare a blue container of orange juice with an orange one." *Id.* The same is true of DDI's color choices for its ice cream. Furthermore, even if the "identical Pantone ® colors" were deemed a non-functional element of dippin' dots, the product design *as a whole* is nonetheless functional. *See AmBrit*, 812 F.2d at 1538 (stating that a court should consider the totality of the trade dress features).

Office, which emphasized dippin' dots' superior characteristics and benefits that are produced by using the Patent '156 method to create small pieces of ice cream. [R. Vol. 249 Ex. C ¶ 4.] These superior characteristics and benefits include the better taste and texture of dippin' dots, their easy dispensability, and the novel way in which they are consumed. [R. Vol. 249 Ex. C ¶ 4.] In addition, several documents from the Patent '156 application denote the preferable size of the beads in specific millimeter measurements. [R. Vol. 168 Ex. 3.]

Likewise, the shape of dippin' dots is functional because dripping the ice cream composition into the freezing chamber, as described in Patent '156, creates a "bead" that facilitates the product's free flowing nature. [R. Vol. 245 at 160-61.] Jones testified to this, stating he experimented with different procedures in order to create "a uniform bead" [R. Vol. 245 at 150],[10] and that the beaded shape of dippin' dots is a result of the method enunciated in Patent '156 [R. Vol. 245 at 158]. Moreover, a DDI product brochure states that the spherical shape is a result of the Patent '156 process and allows the "quick, yet even freeze that is so important to the taste and consistency of the product." [R. Vol. 245 at 207.]

Based on our review of the record and dippin' dots' individual elements, we conclude that the totality of the dippin' dots design is functional because any flash-frozen ice cream product will inherently have many of the same features as dippin' dots. *See Landoll*, 164 F.3d at 342 (stating that when each of the elements is functional, "[i]f the product nevertheless present[s] a distinctive appearance, that appearance would be eligible for legal protection as trade dress *unless it [is] the only way the product [can] look*, consistent with its performing each of the product's functions optimally") (emphasis added). Therefore, DDI's product design as a whole is essential to its purpose and affects its quality. Accordingly, it is functional under the traditional test, and not subject to trade dress protection.

---

[10] Jones also testified that his goal was "to make a kind of rounded product" because he felt it would be more commercially marketable. [R. Vol. 245 at 49.] Notwithstanding Jones's testimony that the shape is aesthetic, it is nonetheless a functional result of the Patent '156 method. [R. Vol. 245 at 158]; *see, e.g.*, *Landoll*, 164 F.3d at 339 ("Mink coats are normally sold dyed. The dye does not make the coat any warmer, but it makes it more beautiful, and . . . it [can]not be claimed as trade dress.... Functional improvements may be patentable, or protected as trade secrets, but they cannot be appropriated in the name of trade dress...."). Moreover, in light of the requirement that functionality be determined by analyzing the product as a whole rather than in its individual elements, *see AmBrit*, 812 F.2d at 1538, even if the shape of dippin' dots is not functional alone, the entire trade dress, as a whole, is functional.

Lastly, DDI argues that because Patent '156 does not specify color or size,[11] these elements cannot be functional. DDI's argument is unavailing. The Supreme Court held in *TrafFix* that a "utility patent is strong evidence that the features therein claimed are functional." *TrafFix*, 532 U.S. at 29, 121 S. Ct. at 1260. It did not, however, conclude the inverse, i.e. that the absence of such features in the patent is strong evidence that the features are not functional. Nonetheless, even if this inverse conclusion were the law, the outcome would remain the same in this case because "features are deemed functional until proved otherwise by the party seeking trade dress protection." *Id.* at 30, 121 S.Ct. at 1260. DDI has not met its burden regarding non-functionality.

After a careful review of the record, we conclude that DDI's product design is functional as a whole and in its individual elements. To hold otherwise runs counter to intellectual property law because it would give DDI "a monopoly more effective than that of the unobtainable patent." *See Morton-Norwich*, 671 F.2d at 1337. "It is the province of patent law, not trademark law, to encourage invention by granting inventors a monopoly over new product designs or functions for a limited time." *Qualitex*, 514 U.S. at 164, 115 S. Ct. at 1304. Therefore, DDI's product design is not subject to trade dress protection. Accordingly, summary judgment in favor of FBD was proper.

---

[11] Patent '156 specifies the product shape as in the form of a "bead."

B. *Trade dress infringement of DDI's logo*

"The touchstone test for a violation of § 43(a) is the likelihood of confusion resulting from the defendant's adoption of a trade dress similar to the plaintiff's." *AmBrit*, 812 F.2d at 1538 (internal quotations omitted).

> In determining whether a likelihood of confusion exists, the fact finder evaluates a number of elements including [the following seven factors]: the strength of the trade dress, the similarity of design, the similarity of the product, the similarity of retail outlets and purchasers, the similarity of advertising media used, the defendant's intent, and actual confusion. The issue of likelihood of confusion is not determined by merely analyzing whether a majority of the subsidiary factors indicates that such a likelihood exists. Rather, a court must evaluate the weight to be accorded the individual factors and then make its ultimate decision. The appropriate weight to be given to each of these factors varies with the circumstances of the case.

Id. (internal citations omitted).

DDI argues that the district court erred because it considered only the similarity of the designs rather than all seven factors. We agree. The "extent to which two marks are confusingly similar cannot be assessed without considering all seven factors to ensure that the determination is made in light of the totality of the circumstances." *Wesco Mfg., Inc. v. Tropical Attractions of Palm Beach, Inc.*, 833 F.2d 1484, 1488-89 (11th Cir. 1987) (holding that the court committed reversible error when it "focused solely on the degree of visual similarity between the two marks").

However, a "district court's failure to consider all the factors relevant to the issue of whether two marks are confusingly similar does not necessarily constitute reversible error." *Id.* at 1489. Due to the applicable *de novo* standard of review in this case, this court may analyze the remaining six factors. After reviewing the record in the light most favorable to DDI, as the non-movant, we conclude that the remaining six factors all weigh in favor of DDI.[12] Nonetheless, we conclude that no reasonable jury could find that the two logos are confusingly similar because the lack of visual similarity between the two designs is overwhelming.[13] *See AmBrit*, 812 F.2d at 1538 (stating that "a court must evaluate the weight to be accorded the individual factors and then make its ultimate decision"). Therefore, summary judgment in favor of FBD was proper.

---

[12] Viewing the facts and inferences in the light most favorable to DDI, we conclude that (1) DDI's logo is strong; (2) the two logos are overwhelmingly dissimilar; (3) the two products are very similar; (4) the retail outlets and purchasers are identical; (5) insufficient evidence exists to evaluate the similarity of the advertising media; (6) FBD *arguably* intended to confuse consumers; and (7) actual confusion *arguably* exists, though evidence presented by DDI does not clearly infer actual confusion. Accordingly, the second factor weighs in favor of FBD while the remaining six factors weigh in favor of DDI.

[13] FBD suggests that we adopt the application of the multi-factor test articulated by the Third Circuit in *A&H Sportswear, Inc. v. Victoria's Secret Stores, Inc.*, 237 F.3d 198, 214 (3d Cir. 2000), wherein a court, when presented with logos of directly competing goods, may consider only the similarity of the marks, and need not address the remaining factors, if it so chooses. *See also Brookfield Communications, Inc. v. West Coast Entm't Corp.*, 174 F.3d 1036, 1054 (9th Cir. 1999) ("Where the two marks are entirely dissimilar, there is no likelihood of confusion.... Nothing further need be said."). Because we are bound by our prior panel precedent, we cannot adopt this modification of the test. *See United States v. Hogan*, 986 F.2d 1364, 1369 (11th Cir. 1993) ("[I]t is the firmly established rule of this Circuit that each succeeding panel is bound by the holding of the first panel to address an issue of law, unless and until that holding is overruled en banc, or by the Supreme Court."). Moreover, we conclude that such modified application is unnecessary because our present seven-factor balancing test allows us to reach the same conclusion when the logos of directly competing goods are overwhelmingly dissimilar.

DDI further argues that the district court erred because it evaluated the logos too closely. DDI relies on *AmBrit* to support its argument that the district court should have considered in its analysis of the logos "the actual sales environment with the typical consumers" [Appellant's Br. at 3], to wit, 8-18 year old impulse ice cream buyers. Because these "typical consumers" do not closely evaluate the logos when they make their impulse purchases, the district court, according to DDI, erred when it evaluated the logos closely.

This court stated in *AmBrit* that

> a court may not view trade dress in a vacuum. Rather, a court must consider how the trade dress would function in the actual market place. Ice cream novelties are impulse items . . . sold . . . to hurried shoppers. When viewed in this context, the *general similarity of the design of the trade dress of the two products* is a[ ] . . . strong[ ] indication of the existence of likelihood of confusion.

AmBrit, 812 F.2d at 1541 (involving competing trade dress packages that were both 3 x 3 inch panels of silver, white, and blue, depicting a polar bear on all fours, with block lettering, and sold in the same locations) (emphasis added). In the logos at issue here, however, there is no "general similarity." DDI repeatedly refers to the "subtle visual differences" in the two logos. [Appellant's Br. at 10.] The differences, however, are anything but "subtle." In fact, the two logos are overwhelmingly dissimilar, even upon a quick and cursory viewing in the impulse buying market. Notwithstanding that both logos are "colorful [and] fanciful" [Appellant's Br. at 12], the two logos are so different that no reasonable jury could find that even a hurried 8-18 year old impulse shopper could confuse them. Accordingly, summary judgment in favor of FBD was proper.

V. CONCLUSION

FBD's usurpation of DDI's business may have been immoral or unethical, but in the absence of a non-compete clause in the applicable contracts, it was not illegal. *See, e.g., Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 157, 109 S. Ct. 971, 981, 103 L. Ed. 2d 118 (1989) ("The law of unfair competition has [as] its . . . focus . . . the protection of consumers [from confusion as to source], not the protection of producers as an incentive to protect innovation."); *Epic Metals*, 99 F.3d at 1042 n. 20 (finding no trade dress infringement notwithstanding that defendant copied plaintiff's product through "faithless malfeasance . . . while purporting to be its agent" because "public policy favors competition by all fair means, and that encompasses the right to copy, . . . except where copying is lawfully prevented by a copyright or patent"); *see also Landoll*, 164 F.3d at 343 ("[T]rademark and trade dress law do not protect originality; they protect signifiers of source."). DDI wants to preclude FBD from competing in the flash-frozen ice cream market, but it cannot do so by claiming trade dress infringement on its functional product design and overwhelmingly dissimilar logos. For the foregoing reasons, we affirm the district court's grant of summary judgment in favor of FBD.

AFFIRMED.

[249 F. Supp. 2d 1346; 2003 U.S. Dist. LEXIS 8516]

IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF GEORGIA, ATLANTA DIVISION

In Re: DIPPIN' DOTS PATENT LITIGATION
CIVIL ACTION FILE NO. 1:00-CV-907-TWT
ALL CASES

March 31, 2003, Decided
March 31, 2003, Filed

ORDER

These are related actions brought by the Plaintiffs for patent infringement pursuant to the Patent Act, (35 U.S.C. § 100 *et seq.*), trade dress and trademark infringement pursuant to the Lanham Act, (15 U.S.C. § 1125), alleged violations of the Uniform Trade Secrets Act (18 U.S.C. § 1905), and breach of contract. The Defendants seek a declaratory judgment that the patent in question is invalid and unenforceable. The actions are pending in this Court for consolidated pretrial proceedings pursuant to 28 U.S.C. § 1407. They are before this Court on multiple motions for summary judgment filed by all parties. The manufacturers and distributors of a flash frozen ice cream known as Frosty Bites, referred to herein as the Defendants, filed the following motions for summary judgment: (1) Motion for Summary Judgment on Invalidity of U.S. Patent No. 5,126,156 [1:01-CV-907 Doc. No. 245; 1:01-CV-262 Doc. No. 662; 1:01-CV-357 Doc. No. 308; 1:01-CV-202 Doc. No. 185], (2) Motion for Summary Judgment on Non-infringement of U.S. Patent No. 5,126,156 [1:01-CV-907 Doc. No. 246; 1:01-CV-262 Doc. No. 663; 1:01-CV-357 Doc. No. 309; 1:01-CV-202 Doc. No. 186], (3) Motion for Summary Judgment on Unenforceability of U.S. Patent No. 5,126,156 [1:01-CV-907 Doc. No. 247; 1:01-CV-262 Doc. No. 664; 1:01-CV-357 Doc. No. 310; 1:01-CV-202 Doc. No. 187], (4) Motion for Summary Judgment on Plaintiff's

Violation of the Uniform Trade Secrets Act and Breach of Contract Claims [1:01-CV-907 Doc. No. 248; 1:01-CV-262 Doc. No. 665; 1:01-CV-357 Doc. No. 311; 1:01-CV-202 Doc. No. 188]; (5) Motion for Summary Judgment on Plaintiff's Trade Dress Infringement Claims [1:01-CV-907 Doc. No. 249; 1:01-CV-262 Doc. No. 666; 1:01-CV-357 Doc. No. 312; 1:01-CV-202 Doc. No. 189].

Dippin' Dots, Inc. and Curt Jones, referred to herein as the Plaintiffs, filed the following Motions for Summary Judgment: (1) Motion for Summary Judgment of No Antitrust Violation for DDI's Enforcement of Patent Rights, [1:01-CV-907 Doc. No. 250; 1:01-CV-262 Doc. No. 667; 1:01-CV-357 Doc. No. 315; 1:01-CV-202 Doc. No. 190]; (2) Motion for Summary Judgment for Breach of Contract, [1:01-CV-357 Doc. No. 313]; Motion for Summary Judgment of Trademark Infringement and Lanham Act Violations, [1:01-CV-357 Doc. No. 314]. For the reasons set forth below, Defendants' motions are granted in part and denied in part, and Plaintiffs' motions are granted in part and denied in part.

I. BACKGROUND

This action was filed by Plaintiffs Dippin' Dots, Inc. ("Dippin' Dots"), and its founder, Curt Jones ("Jones"). Dippin' Dots is an Illinois corporation with its principal place of business in Paducah, Kentucky. Dippin' Dots is engaged in the business of manufacturing and distributing flash frozen novelty ice cream. The Defendants in this action are corporations and individuals engaged in either the manufacture or distribution of a competing flash frozen novelty ice cream product known as Frosty Bites.

Jones, the Dippin' Dots founder, applied for and received a patent for the method Dippin' Dots uses to make flash frozen ice cream. (Def.'s Ex. 34, United States Patent No. 5,126,156 ("the '156 patent").) Jones first began working with methods to produce flash frozen novelty ice cream in 1987. (Declaration of Curt Jones, ¶ 2.) In June of 1987 he started keeping notebooks on his progress. (Def.'s Ex. 44 Vol. I at DDI 10005.) These notebooks track Jones' progress with making flash frozen ice cream, business and marketing ideas, as well as contacts for investment and distribution. (Def.'s Ex. 44 Vol. I - IV.)

According to his notebooks, Jones was successful in making a flash frozen ice cream product in June of 1987. The product consisted of frozen beads and nuggets produced by streaming and dripping an ice cream mixture into liquid nitrogen. (Deposition of Curt Jones at 444.) On June 17, 1987, Jones served between fifty and one hundred cups of this product to the public at a picnic sponsored by Alltech, his employer at that time. (*Id.*) Jones did not place any of the people at this company picnic under a confidentiality agreement, and he does not recall ever telling them the product was experimental. (Jones Dep. at 448, 489.)

Later on in July, Jones' work led to an ice cream product consisting of one hundred percent beads of flash frozen ice cream, which were free flowing when served. (*Id.* at DDI 10056-57; Dep. of Curt Jones at 490-504). Jones served his free flowing flash frozen ice cream beads to officials of the Festival Market, a retail development, on July 13, 1987. Jones noted that the officials were potential investors in his product, and that the Festival Market could provide an outlet for selling his new ice cream. (Def.'s Ex. 44 Vol. I at DDI 10056-57; Jones Dep. at 497-500.) Some of the people at this meeting took samples of Jones' product with them and did not consume the ice cream in Jones' presence. Jones told them to wait ten to fifteen minutes before eating the product. (Jones Dep. at 504-05.) These individuals were not placed under a confidentiality agreement. (Jones Dep. at 497.)

Jones also took his completely beaded product to Rally's, a fast food chain, and to International Desserts. There, Jones allowed people from the establishments to sample his free flowing ice cream beads. (Def.'s Ex. 44 Vol. I at DDI 10137; Jones Dep. at 668-69.) Jones would sometimes leave his product at Rally's for further service after he left. (Jones Dep. at 662.) Jones does not recall placing anyone at Rally's or International Desserts under a confidentiality agreement, and he does not recall informing them that the product was experimental. (Jones Dep. at 669.)

As contemplated, the Festival Market did provide an outlet for Jones' ice cream. Jones sold a flash frozen, free flowing ice cream product there in August and September of 1987. (Jones Dep. at 535-39.) This product differed, however, from what he took to Rally's, International Desserts, and what he originally presented to the officials of the Festival Market. Jones made this product by dripping and streaming his ice cream mixture into liquid nitrogen. (*Id.* at 536.) This process resulted in a frozen nugget-like ice cream as opposed to a completely beaded product. (*Id.* at 536, 539.) The product was similar to what he served at the Alltech picnic in June of 1987. Jones gave small samples of his Festival Market product to the public, and then sold the product in larger quantities. (*Id.* at 558.) Jones considered the Festival Market to be a test-market for the flash frozen ice cream, and he informed his Festival Market patrons accordingly. (Jones Dep. at 547, 552.) No one, however, was placed under a confidentiality agreement. (*Id.* at 552). Though Jones did not make a profit from his Festival Market sales, he was encouraged by the results. (*Id.* at 547, 559.)

The freezing agent used in flash freezing ice cream, liquid nitrogen, has a temperature of 320° below zero Fahrenheit. (Jones Dep. at 457.) Jones knew that the flash frozen ice cream was too cold to be consumed right after it was made or removed from the cooler used for transport. If consumed while too cold, the product would burn the mouth of the person eating the ice cream. (Jones Dep. at 501.) Accordingly, Jones advised those to whom he served his product to warm it before consumption. (Def.'s Ex. 44 Vol. I at DDI 10057.) When he served his ice cream at his company picnic in July of 1987, and at the Festival Market in August and September of that year, Jones did not know the specific temperature range to which the ice cream should be warmed. To prevent burning, he simply did not serve the ice cream until it stopped "smoking" or would tell people not to consume it until the "smoking" stopped. (Jones Dep. at 450-51, 485, 549, 555.) Jones believed that at the time the ice cream stopped smoking, it would have been somewhere around 50° below zero Fahrenheit. (*Id.* at 485.)

Flash freezing food products to make them free flowing was not a novel idea when Curt Jones began using it as a method to produce ice cream. For example, Moustafa M. Aref and Gordon E. Timbers applied for and received a patent for a process wherein they flash froze an alimentary solution of egg product ("Aref Reference"). (Pl.'s Ex. 2 at P0056-P0060, Canadian Patent # 1,376,972.) The Aref reference taught a method for flash freezing an egg substance into free flowing pellets between 3mm and 7mm in diameter. (*Id.* at P0060.) Other related patents include the Vitkovsky and Liggett references. The Vitkovsky patent taught a method of flash freezing a food product such that it becomes frangible. (Pl.'s Ex. 3, U.S. Patent # 4,687,672.) Once frozen, Vitkovsky teaches that sending the frangible substance through a fracturing mill results in a frozen free flowing food product. (*Id.*) The Liggett reference teaches that by dripping an alimentary solution into a cryogenic freezing apparatus, one can turn the alimentary solution into frozen spheres. (Pl.'s Ex. 2 at P0035.) The patent examiner considered all three of these references when evaluating Jones' patent application.

Plaintiff Curt Jones first applied for a patent on a method to make flash frozen ice cream on March 6, 1989. (Pl.'s Ex. 1, U.S. Patent No. 5,126,156). The patent was issued on June 30, 1992. (*Id.*) The first claim of the patent contains six steps for making flash frozen free flowing beads of ice cream. The steps include:

[1] preparing an alimentary composition for freezing;

[2] dripping said alimentary composition into a freezing chamber;

[3] freezing said dripping alimentary composition into beads;

[4] storing said beads at a temperature at least as low as -20° F. so as to maintain said beads free-flowing for an extended period of time;

[5] bringing said beads to a temperature between substantially -10° F. and -20° F. prior to serving; and

[6] serving said beads for consumption at a temperature between substantially -10° F. and -20° F. so that beads are free flowing when served.

(*Id.*, Col. 6, l. 41-57.) It is this patent claim which Plaintiffs contend Defendants infringed.

The '156 patent did not issue as originally filed. In his original patent application, Jones claimed only five of the six steps listed above, failing to claim the sixth step of serving the ice cream. (*See* Pl.'s Ex. 2 at P0022-P0024.) The patent examiner found that Jones' original claims were obvious in light of the Aref reference, considered with the Liggett and Vitkovsky references. (*Id.* at p. P0032-P0037). The Board of Patent Appeals upheld the finding of obviousness based on the Aref reference alone, because that reference literally satisfied all five of Jones' original claims. (*Id.* at p. P0116-P0117.) Alternatively, the Board of Patent Appeals upheld the determination that Jones' first five claims were obvious considering the Aref reference with the Liggett and Vitkovsky references. (*Id.* at p. P0117-P0119.)

After the Board of Patent Appeals' decision, Jones amended his application to claim an additional step. This additional step was the sixth and taught serving the ice cream while in a free flowing state. (Pl.'s Ex. 2 at P0130-P0132.) The patent examiner again rejected this application, noting that though the previous art did not specifically teach serving ice cream in a free flowing state, to do so was obvious depending on the food product being served. (*Id.* at P0138.) Instead of appealing this decision, Jones filed an affidavit of commercial success to supplement his application for a patent on the six-step process. (*Id.* at P0140-P0165.) In response to this affidavit, the examiner dropped the objections to the patent, and allowed it as presented in its final form above. (*Id.* at P0166.)

Dippin' Dots is the exclusive licensee of the '156 patent for making flash frozen ice cream beads. The ice cream beads are small colorful spheres of ice cream, capable of being poured into a container because of their free flowing characteristic. (Special Master's Report Regarding Claim Construction, *Dippin' Dots, Inc. v. Mosey,* Civ. Action No. 3:96-CV-1959-X at 49 (N.D. Tex. Feb. 24, 1998)). Dippin' Dots primarily sells its product from colorful kiosks or stands at amusement parks, sporting venues and shopping malls. (Jones Dep. at 78-86.) To identify itself at these locations, Dippin' Dots has a distinctive logo made up of several elements. First, a circle of round spheres of different sizes frames the logo. (Def.'s Motion for Summary Judgment on Trade Dress Infringement Ex. F.) The spheres are blue, yellow and pink. (*Id.*) Through the middle of the circle of spheres runs the product name, "dippin' dots," in blue letters. (*Id.*) The word "dots" falls below and to the right of the word "dippin'." (*Id.*) Below this circle of spheres lies a tag line touting Dippin' Dots as the "Ice Cream of the Future." (*Id.*) On both sides of the tag line lie three spheres, which are also blue, yellow and pink. (*Id.*)

Defendants produce and distribute a flash frozen ice cream product made up of a mixture of beads and irregularly shaped nuggets of ice cream. (Def.'s Ex. 39, 40, 41.) Several steps go into making their ice cream product. A solution is streamed and dripped into liquid nitrogen where it freezes and forms beads and large clusters of frozen ice cream. (*Id.*) The frozen product then passes through a "cluster buster," where the larger clusters are broken down into smaller pieces of ice cream. (*Id.*) After moving through a system of conveyor belts, where the ice cream is further broken down, the beads and small clusters of ice cream are transferred to coolers. (*Id.*) The product stays in the coolers until it is scooped by the gallon and placed into bags for distribution. (*Id.*) The final product that is shipped by Frosty Bites consists of both beads and small irregularly shaped pieces of ice cream. (*Id.*)

Defendants principally sell their ice cream product from booths and kiosks. To identify itself, Frosty Bites has a distinctive logo which is placed where the product is sold and on the product containers. The logo consists of an ice like background, with the word "Frosty Bites" written on the ice in a blue letters shadowed in pink. (Declaration of Victor Bauer, Ex. 1.) The word "Bites" is centered under the word "Frosty." (*Id.*) The "o" in the word frosty is the torso of a cartoon caricature of a portly penguin, holding a cup of what is intended to be Defendants' product. (*Id.*) The penguin wears a red scarf and a green hat. (*Id.*) The product in the penguin's cup consists of yellow, green, blue and red nuggets of ice cream. (*Id.*) A person dressed like the penguin has appeared at Frosty Bites venues to promote the product. (Bauer Dep. ¶ 6.) Below the words "Frosty Bites" in the logo is a tag line touting Frosty Bites as "The Ultimate Ice Cream Sensation!". (Bauer Dep. Ex. 1.)

II. SUMMARY JUDGMENT STANDARD

Summary judgment is appropriate only when the pleadings, depositions, and affidavits submitted by the parties show that no genuine issue of material fact exists and that the movant is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(c). An issue is genuine "if the evidence is such that a reasonable jury could return a verdict for the nonmoving party." *Anderson v. Liberty Lobby Inc.*, 477 U.S. 242, 248 (1986). An issue is material if it "might affect the outcome of the suit under the governing law." *Id.* The court should view the evidence and any inferences that may be drawn in the light most favorable to the nonmovant. *Adickes* *v. S.H. Kress & Co.*, 398 U.S. 144, 158-159 (1970). The party seeking summary judgment must first identify grounds that show the absence of a genuine issue of material fact. *Celotex Corp. v. Catrett*, 477 U.S. 317, 323-24 (1986). The burden then shifts to the nonmovant, who must go beyond the pleadings and present affirmative evidence to show that a genuine issue of material fact does exist. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. at 257 (1986).

"A patent shall be presumed valid." 35 U.S.C. § 282. A party challenging the validity of a patent must establish facts, by clear and convincing evidence, which persuasively lead to the conclusion of invalidity. *Transclean Corp. v. Bridgewood Services, Inc.*, 290 F.3d 1364, 1370 (Fed. Cir. 2002). The presumption is a procedural device, which assigns the burden of going forward as well as the burden of proof of facts to the challenger. *Avia Group Intern., Inc. v. L.A. Gear California, Inc.*, 853 F.2d 1557, 1562 (Fed. Cir. 1988). However, the presumption is one of law, not fact, and does not constitute "evidence" to be weighed against a challenger's evidence. *Id.*

III. DISCUSSION

Both sides in this dispute have filed motions for summary judgment. Defendants seek summary judgment that there was no infringement of Plaintiffs' patent by the Frosty Bites' process, that Plaintiffs' patent is invalid, that Plaintiffs' patent is not enforceable, that there is no trade dress infringement, that there were no violations of the Uniform Trade Secrets Act and that there was no breach of contract. Plaintiffs seek a summary judgment ruling that there was no antitrust violation in their enforcement of patent rights, that there was trade mark infringement and that there was breach of contract. To facilitate discussion, each of these issues is addressed separately below.

A. Patent Invalidity

Defendants contend that the '156 patent is invalid due to the "on-sale" bar of 35 U.S.C. § 102(b), as well its failure to meet the nonobviousness requirement of 35 U.S.C. § 103. Defendants' argument is that the prior art for the '156 patent should include certain pre-critical date (March 6, 1988) activities of Plaintiff Curt Jones, and that the inclusion of those activities will establish that the method patented in the '156 patent was on-sale prior to the critical date, and that it was obvious under section 103. *See D.L. Auld Co. v. Chroma Graphics Corp.*, 714 F.2d 1144, 1148 (Fed. Cir. 1983) (holding sale of product puts method used to make product on sale for purposes of on-sale bar).

As for the section 102 on-sale bar, Plaintiffs contend that their patent is not invalid because Curt Jones' pre-critical date activities did not satisfy all of the claim limitations in the '156 patent. With respect to obviousness, Plaintiffs argue that the prior art should not be enlarged, and that even if it is, secondary evidence of nonobviousness makes the '156 patent valid. For the purposes of this order, the section 102 on-sale bar, and the section 103 nonobviousness requirement are discussed separately below.

1. Nonobviousness Requirement of 35 U.S.C. § 103(a)

A patent will not issue if the subject of the patent would be obvious to one who possesses ordinary skill in the art of the invention, at the time the invention was made. 35 U.S.C. § 103(a). Obviousness is a question of law, resolved based upon four underlying factual questions. These underlying factual questions are (1) the scope and content of the prior art; (2) the differences between the prior art and the subject matter of the patent at issue; (3) the level of ordinary skill in the pertinent art; and (4) secondary considerations which bear on the issue of nonobviousness. *B.F. Goodrich Co. v. Aircraft Braking Systems Corp.*, 72 F.3d 1577, 1582 (Fed. Cir. 1996). This Court will discuss each of these factors in turn.

There are genuine issues of material fact regarding the scope and content of the prior art, and therefore, summary judgment is not proper. When discussing this question, "scope" refers to the different references which are included in the prior art, while "content" refers to what those references teach. Defendants contend that certain pre-critical date activities of Plaintiff Curt Jones should be included in the scope of the prior art. Specifically, Defendants wish to include evidence that on July 13, 1987, Curt Jones served a frozen, free flowing ice cream product to officials of the Festival Market, that he served a similar product at the Festival Market for a period of 10 days in August and September of 1987, and that he again served a similar product at Rally's and International Desserts on September 1, 1987. Defendants argue that those references make the '156 patent invalid for obviousness. Plaintiffs do not dispute that Jones served a frozen free flowing product before the critical date, but they do challenge whether it is proper to include those activities in the prior art.

Plaintiffs allege that the pre-critical date activities of Curt Jones should not be included in the prior art, because they were experimental instead of public uses. The experimental use doctrine allows an inventor "to refine his or her invention or to assess its value relative to the time and expense of prosecuting a patent application." *Baxter Intern., Inc. v. COBE Laboratories Inc.*, 88 F.3d 1054, 1060 (Fed. Cir. 1996). Whether a pre-critical date activity was experimental is determined by the Court as a matter of law, based on several factors. *Petrolite Corp. v. Baker Hughes Inc.*, 96 F.3d 1423, 1426 (Fed. Cir. 1996). Among the factors commonly examined are whether testing was reasonably needed to demonstrate the efficacy of the invention, whether records were kept of the experimentation, whether testing was systematically performed, the length of the evaluation period in light of the nature of the invention, whether there were secrecy agreements, whether there was compensation paid to the inventor, the control maintained over the putative experiment, and other circumstances bearing on the nature of activities prior to the critical date. *Lough v. Brunswick Corp.*, 86 F.3d 1113, 1120 (Fed. Cir.

1996); *Petrolite Corp. v. Baker Hughes Inc.*, 96 F.3d at 1427-28. Viewing the evidence in the light most favorable to Plaintiffs, there are genuine issues of material fact which prevent this Court from saying the pre-critical date activities were not experimental as a matter of law.

The notebooks kept by Plaintiff Jones leave genuine issues of material fact as to the primary purpose of his pre-critical date activities. While collecting information on marketing and receiving payment will not automatically make a use public, the primary purpose of the inventor in using his product must be to further the invention's qualities for the use to be experimental. *Omark Industries, Inc. v. Carlton Co.*, 652 F.2d 783, 786 (9th Cir. 1980). Defendants correctly point out that the notebooks contain references to marketing practices, that Jones received payment for his product, that experiments were not systematic, that there were no secrecy agreements, and that the notebooks had no detailed logs of results. However, other pieces of evidence prevent this Court from ruling on experimental use without a trial. Jones' log contains entries which indicate each of the uses Defendants complain about may have been experimental instead of public.

Though they did not contain detailed results of experiments, on multiple occasions Jones' notebooks recorded changes in his production method and how those changes affected the resulting product. (Def.'s Ex. 44 at DDI 10056 (noting use of blue dropper and very cold nature of mix produced perfect spheres of ice cream); DDI 10057 (telling those sampling product to warm in microwave or wait ten to fifteen minutes before consuming); DDI 10137 (noting Flav-o-Rich mix produced "good quality uniform beads"); Jones Dep. at 536-39 (noting Jones dripped and streamed a solution producing a product with some spheres and some irregularly shaped particles of ice cream.)) Each of those recorded alterations and results correspond with the times Defendants claim Jones' use of his method was public. These method alterations and recorded results during pre-critical date uses suggest Jones was conducting experiments on his method, instead of commercially exploiting it prematurely. Viewing the evidence in the light most favorable to Plaintiffs, there are genuine issues of material fact as to the purpose of Jones' pre-critical date activities.

Next, Jones' pre-critical date activities may have led to method changes that are present in the final form of the '156 patent which indicates that the pre-critical date activities were experimental and not public. The Federal Circuit has held that "when an inventor can show changes during experimentation that result in features later claimed in the patent application, this evidence is a strong indication that the activities of the inventor negated any evidence of premature commercial exploitation of an invention ready for patenting." *EZ Dock, Inc. v. Schafer Systems, Inc.*, 276 F.3d 1347, 1353 (Fed. Cir. 2002). In *EZ Dock* the inventor sold a floating dock built on rectangular shaped pylons, and then patented a floating dock built on frustoconical shaped pylons. *Id.* The court found the evidence of changes in the invention persuasive on the issue of experimental use, and vacated a district court ruling that the patent was invalid. *Id.* at 1354. The same type of evidence is present in this case.

The evidence in the instant dispute, viewed in the light most favorable to the Plaintiffs, indicates that during the pre-critical date activities, Jones had not yet developed the long term storage and tempering practices which ultimately found their way into the '156 patent. (Def.'s Ex. 44 at DDI 10057 (noting Jones made ice cream, placed it in a cooler, drove it to allow others to sample, and then told them to warm the product because it was too cold for direct consumption); Jones Dep. at 662 (describing how Jones made ice cream and thereafter delivered it to Rally's and International Desserts for sampling); Jones Dep. at 535-46 (recounting Jones' preparation of a mix of beads and particles of ice cream at the Festival Market and serving it without long term storage as soon as the ice cream stopped smoking.)) In contrast, Jones' patent was much more detailed, teaching specific temperature ranges for long term storage and tempering. Such advances between pre-critical date practices and the ultimate patent are similar to what the Federal Circuit in *EZ Dock* called "strong evidence" of experimental use.

In addition to advances in long term storage and tempering, Jones' pre-critical date activities varied between production of an all spherical product, and one that contained both spheres and irregular shaped pieces of ice cream. (Def.'s Ex. 44 at DDI10057 (discussing use of small blue dropper for making spheres on July 13, 1987); Def.'s Ex. 44 at DDI10137 (discussing dripping of Flav-O-Rich ice cream mixture which made "good quality uniform beads" on September 1, 1987); Jones Dep. at 547-48 (noting Jones used various methods to stream and drip ice cream while at the Festival Market in August and September of 1987, which made beads and irregularly shaped pieces of ice cream.)) It is noteworthy that the last of the pre-critical date sales pointed to by the Defendants was a mixed product, and Jones ultimately patented an all beaded product. (*Compare*, Jones Dep. at 547-48 *with* Def.'s Ex. 34, United States Patent No. 5,126,156.) Like the patented advances in long term storage and tempering, this change to an all beaded product is consistent with the "strong evidence" the Federal Circuit relied upon in *EZ Dock*.

The experimental use doctrine provides inventors with the opportunity to perfect their invention and be certain it will operate in its intended environment before patenting. *Gould Inc. v. U.S.*, 579 F.2d 571, 583 (Ct. Claims 1978). Accordingly, when uses of a method or product are disputed, continued improvements in the method tend to indicate the uses were experimental, thus justifying the length of the experimental period. Construing the evidence in the light most favorable to the Plaintiffs, that is the result demanded in this case. The fact that the patentor made significant advances after Jones' pre-critical date activities indicates that the length of the experimental period was not so long that the disputed uses should be deemed public by this Court without a trial. While the necessity for the length of time Plaintiffs took to experiment is not clear, viewing all the evidence in the light most favorable to the nonmovant, there is a genuine issue of material fact regarding the issue of experimental use and the scope of prior art.

Finally, this Court recognizes that Jones did not always maintain perfect control over the uses of his product during his pre-critical date activities. Jones would at times allow his product to be sampled and consumed outside of his presence. Further, this Court also recognizes that control is often referred to as a critical factor in the analysis of whether pre-critical date activities are experimental or public uses. *Petrolite Corp. v. Baker Hughes Inc.*, 96 F.3d 1423, 1428 (Fed. Cir. 1996). On the other hand, the Federal Circuit has indicated it is not necessary to maintain complete control to remain within the experimental use category, and that it is permissible for an intended customer to participate in product testing. *Continental Can Co. U.S.A., Inc. v. Monsanto Co.*, 948 F.2d 1264, 1269 (Fed. Cir. 1991) (reversing in part and remanding where issue of fact remained as to whether use was experimental even though potential customer conducted product testing to see if a satisfactory product was produced). The *EZ Dock* case is once again instructive on this point. In that case, the Federal Circuit did not permit control over the experiment to be the pivotal factor, even though the record was void of any reference to control by the inventor during a pre-critical date use. *EZ Dock, Inc. v. Schafer Systems, Inc.*, 276 F.3d 1347, 1354 (Fed. Cir. 2002) (Linn, J., concurring). Instead, the Court examined all of the evidence and ordered the case remanded for trial before the issue of experimental use was decided as a matter of law. The instant case is similar. Though Plaintiff Jones did not always maintain perfect control of his product during the disputed uses, other unresolved factors indicate the use may have been experimental. Viewing the evidence in the light most favorable to the nonmovant, these unresolved factors prevent this Court from ruling on experimental use without a trial.

In sum, viewing everything in the light most favorable to the Plaintiff, the evidence of experimentation in Jones' notebooks, the product advances after the disputed uses, and the issues surrounding the length of the testing period prevent this Court from determining whether the pre-critical date uses were experimental as a matter of law. Because this Court cannot determine whether the disputed uses were experimental or public, there is a genuine issue of fact as to the proper scope of the prior art. Since determining the proper scope of the prior art is one of the factual issues which must be resolved before ruling on obviousness, that issue is not ripe for summary judgment.

The second factor, the differences between the prior art and the subject matter of the patent at issue, cannot be evaluated. As discussed above, there are genuine issues as to the scope of the prior art. Because the scope and content of the prior art cannot be resolved, it is not possible to know what the differences are between the prior art and the patented invention. Thus, because the second factor cannot be assessed, summary judgment on obviousness is not proper.

The third factor in an obviousness analysis, the level of ordinary skill in the pertinent art, is not an issue in this litigation. Plaintiffs and Defendants agree, that the level of ordinary skill in the prior art is one who has a bachelor's degree in basic science, and a "couple years" processing experience in the relevant field. There is thus no genuine issue of material fact on the proper standard for ordinary skill in the pertinent art.

The fourth factor, secondary considerations which bear on the issue of nonobviousness, also contains genuine issues of material fact. Objective evidence of nonobviousness is especially important in the analysis of a patent's validity. The Federal Circuit has said secondary evidence is often the most probative proof on the issue of obviousness, and it can show that an invention thought to be obvious in fact was not at the time of the invention. *Demaco Corp. v. F. Von Langsdorff Licensing Ltd.*, 851 F.2d 1387, 1391 (Fed. Cir. 1988). Nevertheless, in order to be probative of nonobviousness, the objective evidence must contain a nexus between what it purports to show (i.e., commercial success, long felt need) and the features of the claimed invention. *J.T. Eaton & Co., Inc. v. Atlantic Paste & Glue Co.*, 106 F.3d 1563, 1571 (Fed. Cir. 1997). Put differently, there must be a link between the objective evidence which shows the invention is not obvious, and the features of that invention. As part of this requirement, the invention's features which establish the nexus cannot be present in the prior art. If the claimed nexus is readily available in the prior art, then the nexus fails and there is no secondary evidence of nonobviousness. *Id.*

In the case at bar, Plaintiff Curt Jones filed a declaration of commercial success and long felt need to serve as secondary evidence of nonobviousness in the prosecution of his patent. Defendants contend that Plaintiffs' alleged nexus between the objective evidence and their product is the serving of a free flowing ice cream product for direct consumption. Defendants contend that serving a free flowing product cannot be a nexus to commercial success or long felt need because it was in the prior art via Jones' pre-critical date activities. As discussed above, viewing the evidence in the light most favorable to the nonmovant, this Court cannot determine as a matter of law that Jones' pre-critical date activities constitute prior art for the '156 patent. Without knowing whether those activities belong in the prior art, this Court also cannot determine whether Plaintiffs can establish a nexus to commercial success with the serving of a free flowing ice cream product. Thus, because there are genuine issues to resolve regarding the nexus between Plaintiffs' objective evidence and the claimed invention, summary judgment is not proper.

Additionally, even if the pre-critical date activities of Plaintiff Jones belong in the prior art, there is still a genuine issue of material fact for this Court to resolve. Defendants contend the nexus between the commercial success and the '156 patent is the serving step only, while Plaintiffs argue the nexus is the use of the entire method. Plaintiffs correctly point out that the declaration of commercial success does repeatedly refer to the "method" as a whole, and not just the final serving step. (*See* Pl.'s Ex. 2 at P0144 ("product made in accordance with the present method . . . invention claimed in the present application produces a product responding to a long felt need . . . and has thus achieved significant measurable commercial success"); P0145 ("presently claimed processing method produces a product of unique benefits"); P0146 ("superior characteristics and benefit of the product produced in accordance with the presently claimed method.")) That evidence contrasts with Defendants' argument that Plaintiffs' only nexus was the fact that the ice cream was free flowing when served. Viewing the evidence in the light most favorable to the nonmovant, this conflict leaves a genuine issue of material fact for the Court to resolve. If the putative nexus between the invention and the objective evidence is Plaintiffs' entire method instead of only the serving step, then Plaintiffs' objective evidence should be considered even if Jones' pre-critical date acts of serving ice cream are in the prior art. The combination of elements may be nonobvious, even though the elements themselves are in the prior art. *In re Rouffet*, 149 F.3d 1350, 1357 (Fed. Cir. 1998). This issue of fact, combined with the issues of fact surrounding the proper scope of the prior art and the differences in the prior art and the patented invention, makes summary judgment on nonobviousness improper.

2. On-sale Bar of 35 U.S.C. § 102(b)

There are genuine issues of material fact regarding whether the subject matter of the '156 patent was "on-sale" prior to March 6, 1988, and therefore, summary judgment on that issue is not proper. Section 102 provides that an individual is entitled to a patent unless "the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application[1] for patent in the United States." 35 U.S.C. § 102(b). Interpreting that statute, the Federal Circuit has held that a patent is invalid for violating the on-sale bar if the subject matter of the patent was fully anticipated or rendered obvious by an offer to sell a product more than one year before the filing of the patent application. *Tec Air, Inc. v. Denso Mfg. Michigan Inc.*, 192 F.3d 1353, 1358 (Fed. Cir. 1999). Whether a patent is invalid due to the on-sale bar is a matter of law, based on three factual inquiries. *Biodex Corp. v. Loredan Biomedical, Inc.*, 946 F.2d 850 (Fed. Cir. 1991). First, the product which allegedly triggers the on-sale bar must have been the subject of a commercial offer for sale. *Tec Air. Inc. v. Denso Mfg. Michigan Inc.*, 192 F.3d at 1358. Next, assuming there is a commercial offer for sale, "the subject of the barring activity must [meet] each of the limitations of the claim, and thus [be] an embodiment of the claimed invention." *Id.* Finally, if all the limitations of the claim are met, the invention must also have been "ready for patenting." (*Id.*) Put differently, the method must have been "reduced to practice" at the time of the offer for sale. *Id.* If those factual inquiries are resolved, then the Court may decide as a matter of law whether the patent is invalid due to the on-sale bar.

As discussed above, there are genuine issues of material fact as to whether the pre-critical date activities of Plaintiff Jones were experimental or public in nature. Accordingly, there are genuine issues of material fact as to whether Defendants can show a commercial offer for sale, which is required to invalidate a patent under the one year on-sale bar.

---

[1] The date one year prior to a patent application is known as the critical date, and in this case that date was March 6, 1988.

Nevertheless, even if Defendants had satisfied prong one by showing Plaintiffs offered a product for commercial sale prior to the critical date, Defendants are still not entitled to summary judgment. Genuine issues of material fact exist regarding the other two prongs of the inquiry. As for satisfying each of the claim limitations in the '156 patent, there are genuine issues of material fact as to whether Curt Jones' pre-critical date activities satisfied the limitations on long term storage and tempering prior to consumption. The '156 patent specifically points out that its frozen ice cream product must be capable of being stored for an extended period of time at a specific temperature range, and that the product is to be warmed to a specific temperature range prior to serving. (*See* Def.'s Ex. 34, United States Patent 5, 126, 156.) Instead of satisfying these claim limitations, the evidence suggests that there was no long term storage of the product Curt Jones produced prior to the critical date, and that Jones would serve the product for direct consumption based on when the ice cream stopped smoking, instead of at a specific temperature range. (*See* Def.'s Ex. 44 at DDI10057 (noting Jones made ice cream on July 13, 1987 and then served it to people with a warning not to eat it until warmed for ten or fifteen minutes); Jones Dep. at 662 (describing how Jones made ice cream and delivered it to Rally's and International Desserts for sampling); Jones Dep. at 535-46 (recounting Jones' preparation of a mix of beads and particles of ice cream and serving it after the ice cream stopped smoking without any long term storage)). Accordingly, as there are genuine issues of material fact regarding whether Jones' pre-critical date activities satisfied all of the elements in the claims of the '156 patent, summary judgment is improper.

Additionally, regarding the third prong of the on-sale bar inquiry, there are genuine issues of material fact as to whether Jones' method was ready for patenting at the time of the alleged infringing sales. Instead of being reduced to practice, the evidence construed in favor of the Plaintiffs indicates Jones was still experimenting with different methods of producing his ice cream. (Def.'s Ex. 44 at DDI10057 (discussing use of small blue dropper for making spheres on July 13, 1987); Jones Dep. at 547-48 (noting Jones used various methods to stream and drip ice cream while at the Festival Market in August and September of 1987); Def.'s Ex. 44 at DDI10136 (noting use of split bolt droppers which had potential); Def.'s Ex. 44 at DDI10137 (discussing dripping of Flav-O-Rich ice cream mixture which made "good quality uniform beads" on September 1, 1987).) These variations in how the ice cream was made leave genuine issues of material fact as to whether Jones' method was ready for patenting prior to March 6, 1988.

In addition to the variations in making the ice cream, Jones' storage practices indicate he was not yet ready to patent his invention. As for long term storage, Jones appears to have been making his frozen ice cream on an as needed basis. (Def.'s Ex. 44 at DDI10057 (noting Jones made ice cream, placed it in a cooler and then drove to allow others to sample); Jones Dep. at 662 (describing how Jones made ice cream and delivered it to Rally's and International Desserts for sampling without mention of long term storage); Jones Dep. at 535-46 (recounting Jones' preparation of a mix of beads and particles of ice cream at the Festival Market and serving it without long term storage.)) Even if Jones was storing his product for some periods, the evidence construed in favor of the Plaintiffs does not indicate the process of long term storage was "reduced to a practice" as required to effectuate an on-sale bar.

Finally, Jones' ongoing work with tempering his product was not reduced to practice when he served his ice cream before the critical date. Instead of the precise temperature range for service which is in the '156 patent, Jones simply did not serve his product until it stopped smoking. (Jones Dep. at 546.) Alternatively, Jones would sometimes allow the consumer to take the product with only a warning not to consume it before warming it first. (Def.'s Ex. 44 at

DDI10057.) Instead of having the process reduced to a practice, the evidence indicates Jones was still developing methods to store and temper his product. As there are genuine issues of material fact on this prong of the on-sale bar analysis, as well as on the commercial offer for sale and satisfaction of claim limitations prongs, summary judgment on the on-sale bar is not proper.

B. Patent Unenforceability

Defendants contend that the '156 patent is invalid because of the applicant's inequitable conduct before the Patent Office. In order to show that a patent should be unenforceable based on inequitable conduct, Defendants must put forward clear and convincing evidence that there were material nondisclosures to the patent examiner, and that such nondisclosures were made with the intent to mislead the patent examiner in prosecution of the patent. *Halliburton Co. v. Schlumberger Technology Corp.*, 925 F.2d 1435, 1439 (Fed. Cir. 1991). These initial steps are questions of fact. *Id.* After such a showing is made, the court then weighs the materiality and intent of the culpable party, and determines whether there is inequitable conduct to such a level that the patent should be unenforceable. *Id.* Both the factual determinations and the weighing of the factors are issues for the court; there is no jury issue as inequitable conduct is entirely equitable in nature. *General Electro Music Corp. v. Samick Music Corp.*, 19 F.3d 1405, 1408 (Fed. Cir. 1994).

In this case, Defendants contend they satisfied the first prong with evidence showing Plaintiffs failed to disclose material references dealing with a previously undisclosed feature of the '156 patent. Defendants contend they satisfied the second prong by showing that Plaintiffs made arguments which could not have been made had disclosure been proper, leading to a finding of intent to deceive. Plaintiffs respond first by arguing that the references about which Defendants complain are not material, and that even if they are, there is no evidence of an intent to mislead. Because there are genuine issues of material fact as to whether Plaintiffs intended to mislead the patent examiner, this issue is not ripe for summary judgment.

As for the first prong, materiality, the non-disclosed activities of Plaintiff Jones appear to be material to the prosecution of the patent, and they should have been disclosed. A reference is material if it discloses features of a patent not disclosed by the prior art. *Molins PLC v. Textron, Inc.*, 48 F.3d 1172, 1180 (Fed. Cir. 1995) (holding reference material where it disclosed something not disclosed in the prior art). In this case, none of the references in the patent prosecution taught service of a free flowing ice cream product. Since Plaintiff Jones' pre-critical date activities taught service of a free flowing ice cream product, they should have been disclosed. Further, the references should have been disclosed even if it is eventually determined that the pre-critical date uses were experimental. The Federal Circuit has held that an inventor is required to disclose even experimental uses to a patent examiner. *Manville Sales Corp. v. Paramount Systems, Inc.*, 917 F.2d 544, 551 (Fed. Cir. 1990). Accordingly, since the pre-critical date activities taught a feature not disclosed by the other references, they were material and should have been disclosed. The next step is examining the evidence for an intent to mislead the patent examiner.

Because there are genuine issues of material fact as to whether Plaintiffs intended to mislead the patent examiner, this case is not ripe for summary judgment. Defendants must put forward affirmative evidence of an intent to mislead, and cannot rely on an inference from the mere failure to disclose material information. *Therma-Tru Corp. v. Peachtree Doors Inc.*, 44 F.3d 988, 996 (Fed. Cir. 1995) (noting theory of inferential intent was laid to rest in *Kingsdown Medical Consultants, Ltd. v. Hollister Inc.*, 863 F.2d 867, 876 (Fed. Cir. 1988)). To satisfy this burden, Defendants contend Plaintiffs made false assertions of fact, as well as false arguments in their commercial success declaration, which could not have been made had disclosure of Jones' pre-critical date activities been proper. The Federal Circuit has held similar acts to be sufficient to show an intent to mislead. *GFI, Inc. v. Franklin Corp.*, 265 F.3d 1268, 1275 (Fed. Cir. 2001). Plaintiffs respond by arguing they made no false assertions, and that the arguments in their commercial success declaration were proper.

Defendants argue that Plaintiffs improperly argued to the patent examiner that none of the cited references taught or suggested the concept of serving a product while maintaining the product in a free flowing state. Additionally, Defendants argue it was not proper for Plaintiffs to contend in an affidavit to the patent examiner that the claimed method was the first to achieve the service of a completely free flowing ice cream product for direct consumption by consumers. Defendants contend that these arguments to the patent examiner were improper because if Plaintiffs had properly disclosed Jones' pre-critical date activities, then those arguments could not have been made. However, previous determinations by this Court weigh heavily on the issue of inequitable conduct. As this Court has already determined, there are genuine issues of material fact as to whether Plaintiff Jones' pre-critical date activities are prior art, for they may have been experimental instead of public uses. If, after the genuine issues of fact are resolved, this Court determines that Jones' pre-critical date uses were experimental, then Plaintiffs' arguments to the patent examiner would be proper, because there would be no prior art teaching those features of his product. On the other hand, if it is shown that the uses were not experimental, then the pre-critical date activities would become prior art references which would make Plaintiffs' arguments to the patent examiner improper. Regardless, this issue cannot be decided until the genuine issues of material fact about Jones' pre-critical date activities are resolved. Summary judgment on inequitable conduct is not proper.

C. Patent Infringement

Plaintiffs contend that the Frosty Bite Defendants infringe their patent both literally and via the doctrine of equivalents.[2] Because Defendants do not infringe Plaintiffs' patent under either theory, summary judgment for the Defendants is proper.

1. Literal Infringement

Defendants do not literally infringe claim one of the '156 patent because there are elements of that claim not found in Defendants' process. In order to prove literal infringement, Plaintiffs must show that Defendants' process reads on the '156 patent exactly. *Southwall Technologies, Inc. v. Cardinal IG Co.*, 54 F.3d 1570, 1575 (Fed. Cir. 1995). Viewing the evidence in the light most favorable to Plaintiffs, they cannot meet that burden.

Claim one of the '156 patent describes a method of making ice cream where a solution is dripped into a freezing chamber. (Def.'s Ex. 34, United States Patent No. 5,126,156.) As construed by the Special Master and as adopted by this Court, Defendants do not drip an alimentary solution into a freezing chamber. "Dripping" means "letting fall in drops." (Special Master's Report Regarding Claim Construction, *Dippin' Dots, Inc. v. Mosey*, Civ. Action No. 3:96-CV-1959-X at 19 (N.D. Tex. Feb. 24, 1998)). Defendants do not simply let an ice cream solution "fall in drops." Rather, Defendants' process drips and streams an ice cream solution into the freezing chamber. (Def.'s Ex. 39, Frosty Bites, Inc.'s Video Tape of the Frosty Bites Manufacturing Facility; 40, Dippin' Dots, Inc.'s Video Tape of the Rule 34 Inspection; 41, Frosty Bites, Inc.'s Video

---

[2] This Order addresses infringement only as to the Frosty Bites product. It does not address infringement by the products subject to the preliminary injunction issued by the United States District Court for the Northern District of Texas in *Dippin' Dots, Inc. v. Mosey*, Civ. Action No. 3:96-CV-1959-X.

Tape of the Rule 34 Inspection.) Thus, Defendants do not literally infringe this limitation on the '156 patent.

Plaintiffs argue that since some drops may form from the streamed solution before reaching the freezing chamber that their patent is infringed. Plaintiffs' expert refers to drops forming, but not to a product which drips from the fill head. (Declaration of L. Steven Young, ¶ 3(a).) Though a drop may form from a streamed solution, a streamed solution still does not "fall in drops." Rather, a streamed solution falls as a stream toward the freezing chamber; whether drops subsequently form is irrelevant because the solution fell in a stream. Streaming a solution and dripping a solution are two different things. Because Defendants streamed their solution, the dripping limitation of the '156 patent is not literally infringed.

Defendants also do not literally infringe the '156 patent because their process produces a mixture of beads and irregularly shaped flash frozen ice cream. (Def.'s Ex. 38, Photograph Log of the Frosty Bites, Inc. Batches of Ice Cream Manufactured at the Deerfield Beach Facility; 39, Frosty Bites, Inc.'s Video Tape of the Frosty Bites Manufacturing Facility; 40, Dippin' Dots, Inc.'s Video Tape of the Rule 34 Inspection; 41, Frosty Bites, Inc.'s Video Tape of the Rule 34 Inspection.) Claim one of the '156 patent is limited to the making of beads of ice cream. Specifically, the patent refers to freezing an alimentary product into "beads," storing said "beads" so as to keep the "beads" free flowing, bringing the "beads" to a warmer temperature before serving, and serving the "beads" for consumption. (Def.'s Ex. 34, United States Patent No. 5,126,156.) In the Claim Construction Order, the Special Master found that "beads" do not include "irregular or odd shaped particles such as 'popcorn.'" (Special Master's Report Regarding Claim Construction, *Dippin' Dots, Inc. v. Mosey*, Civ. Action No. 3:96-CV-1959-X at 24 (N.D. Tex. Feb. 24, 1998)). Additionally, the Special Master found that the claims of the '156 patent do not cover those processes which produce mixtures of beads and irregular or odd shaped particles. *Id.* Rather, to fall under the '156 patent the process must produce only beads.

Plaintiffs argue that the '156 patent is infringed because it is possible for some servings of Defendants' product to contain only beads. Plaintiffs argue that because the final step in claim one of their patent refers to service, that the whole patent concerns producing serving size portions of their beaded product. This limitation should not be read into the patent. Although the last step in claim one does refer to serving a beaded product, no steps limit the scope of claim one to producing serving-size portions of ice cream. Furthermore, the term serving size is ambiguous, and the Court will not read ambiguity into the clear terms of a patent. Plaintiffs offer various serving size choices for their product, and though Plaintiffs' expert opined as to a proper size (*See* Pl.'s Ex. 29 Declaration of L. Steven Young at 17), claim one itself gives no indication as to which of Plaintiffs' serving sizes might be used for evaluating infringement. Instead of addressing serving sizes, claim one of the '156 patent focuses on a method that begins with the preparation of an "alimentary composition." Neither Dippin' Dots nor Frosty Bites prepares its alimentary compositions in serving size portions. Therefore, to determine whether the product is beaded or a mix of beads and nuggets, the Court should look to the entire production run of alimentary composition. Whether Defendants have produced enough beads to make up a completely beaded serving of some undetermined size is not the proper inquiry. Rather, the inquiry is whether the entire process used by Defendants produces a completely beaded product; only that kind of process can literally infringe claim one of the '156 patent.

Since Defendants' process produces beads and irregularly shaped particles of ice cream, Defendants' method does not literally infringe the '156 patent. Defendants have produced photographs of each batch of ice cream product produced by their method. The photographs were taken as the product came off of Defendants' production line. (Declaration of Peter R. Colelli, ¶ 4.) These photographs represent six hundred and eleven different batches of ice cream made via Defendants' method. (Def.'s Ex. 38, Photograph Log of the Frosty Bites, Inc. Batches of Ice Cream Manufactured at the Deerfield Beach Facility; Index of Pictures in Ex. 38; Colelli Dec. ¶4.) Defendants also produced testimony that these photographs were representative of all their product. (Deposition of Victor Bauer at 307-08.) This Court has carefully examined the photographic and video evidence produced by the parties, and in each case, this Court found a mixture of beads and irregularly shaped nuggets in the Frosty Bites product. (Def.'s Ex. 38, Photograph Log of the Frosty Bites, Inc. Batches of Ice Cream Manufactured at the Deerfield Beach Facility; 39, Frosty Bites, Inc.'s Video Tape of the Frosty Bites Manufacturing Facility; 40, Dippin' Dots, Inc.'s Video Tape of the Rule 34 Inspection; 41, Frosty Bites, Inc.'s Video Tape of the Rule 34 Inspection.) Plaintiffs' expert disagreed with that conclusion after examining the photographic evidence, and stated that the photos showed an all beaded infringing product. (Pl.'s Ex. 29 Declaration of L. Steven Young ¶ 16; Pl.'s Brief in Opp. at 23.) However, that opinion was based on the erroneous assumption that the correct measure of product for evaluating infringement was a serving size, which this Court has already rejected. (*Id.* at 17.) Rather, looking at the production represented in the photographs as a whole, each one shows a mixture of beads and irregularly shaped particles. Because this mixture produced by Defendants' method cannot literally infringe claim one of the '156 patent, summary judgment for Defendants is proper.

Plaintiffs also suggest that Defendants' method literally infringes the '156 patent because it can be altered to produce a completely beaded product. Plaintiffs' argument is misplaced. All of the cases cited by Plaintiffs for their alteration argument involve questions of patent infringement in device patents. *See Hilgraeve Corp. v. Symantec Corp.*, 265 F.3d 1336, 1343 (Fed. Cir. 2001) (computer virus protection software); *Key Pharmaceuticals, Inc. v. Hercon Laboratories Corp.*, 981 F. Supp. 299, 310 (D. Del. 1997) (drug in adhesive transdermal patch); *Huck Mfg. Co. v. Textron, Inc.*, 187 U.S.P.Q. 388, 408 (E.D. Mich. 1975) (rivets). Those cases deal with whether a device's non-infringing uses are a defense to patent infringement where the device is reasonably capable of infringing uses. Such precedent is inapplicable where the alleged infringement is on a method claim. Methods of production, unlike devices, are subject to limitless variations because one can simply change how production is carried out. If the ability to alter a method so as to make it infringing was sufficient to show infringement, then any method to produce a product will infringe the patents of similar products. It would not matter that a method does not infringe a patent as actually carried out, because under Plaintiffs view of the law, if the method can be altered to infringe, then there is infringement. The result of such a holding would make countless methods of production highly suspect simply because methods are subject to alterations. Such, however, is not the law. Rather the inquiry is whether Defendants' method, as used, literally infringes the '156 patent. In this connection, the Court notes that if the Defendants were producing significant quantities of all beaded product, that should be capable of easy proof. Defendants do not sell their product in secrecy. Plaintiffs have not come forward with *any* evidence that they have been able to purchase an all beaded product from a Frosty Bites retailer. The Court is not required to conduct a trial when the Plaintiffs offer nothing in support of their claim but hearsay, speculation and conjecture. Therefore, summary judgment is proper.

2. Doctrine of Equivalents

Plaintiffs argue that Defendants' method of making flash frozen ice cream violates the '156 patent under the doctrine of equivalents. To prove infringement under this theory, Plaintiffs must show that each limitation of their claim is substantially present in Defendants' process. *Lemelson v. U.S.*, 752 F.2d 1538, 1551 (Fed. Cir. 1985). This is evaluated by a three part inquiry known as the function, way, result test. If Defendants' method performs substantially the same overall function, in substantially the same way, to obtain substantially the same overall result as Plaintiffs' method, then there is infringement under the doctrine of equivalents. *Valmont Industries, Inc. v. Reinke Mfg. Co., Inc.*, 983 F.2d 1039, 1043 (Fed. Cir. 1993). However, if the two methods fail to be substantially equivalent in even one of the three elements of the test, then there is no infringement. *Universal Gym Equipment, Inc., v. Atlantic Health & Fitness Products*, 229 U.S.P.Q. 335, 341 (D. Md. 1985), *aff'd in part*, 827 F.2d 1542 (Fed. Cir. 1987). Finally, although not as restrictive as proving literal infringement, the doctrine of equivalents will not ignore the structural and functional limitations in a patent. *Sage Products, Inc. v. Devon Industries, Inc.*, 126 F.3d 1420, 1424 (Fed. Cir. 1997); *Athletic Alternatives, Inc. v. Prince Mfg., Inc.*, 73 F.3d 1573, 1581-82 (Fed. Cir. 1996.) As Plaintiffs cannot show Defendants' method infringes the '156 patent under the doctrine of equivalents, summary judgment is proper.

Defendants' evidence addressed all three prongs of the function, way, result test. Initially, Defendants pointed out that the two methods at issue in this litigation perform substantially different functions. The '156 patent is repeatedly limited to the making of beads of flash frozen ice cream. (*See* Def.'s Ex. 34, United States Patent No. 5,126,156, I claim ("freezing said dripping alimentary composition into beads . . . storing said beads . . . so as to maintain said beads free flowing . . . bringing said beads . . . serving said beads . . . beads are free flowing when served.")) In contrast, Defendants' method produces flash frozen ice cream beads and irregularly shaped nuggets. (Def.'s Ex. 38, Photograph Log of the Frosty Bites, Inc. Batches of Ice Cream Manufactured at the Deerfield Beach Facility; Def.'s Ex. 39, Frosty Bites, Inc.'s Video Tape of the

Frosty Bites Manufacturing Facility; 40, Dippin' Dots, Inc.'s Video Tape of the Rule 34 Inspection; 41, Frosty Bites, Inc.'s Video Tape of the Rule 34 Inspection.) Thus, the functions of the two methods differ substantially, as one functions only to produce beads, while the other serves to produce a mixture of many different shapes of ice cream. (Def.'s Ex. 20, Report of David Reid at 9; Def.'s Ex. 23, Report of Edward Fiorito, at 10.)

Even if one were to find that the functions of the two processes were the same, the ways in which they perform that function are different. The second limitation in claim one of the '156 patent establishes that Plaintiffs make their beads of ice cream by dripping an alimentary solution into a freezing chamber. (*See* Def.'s Ex. 34, United States Patent 5,126,156, I claim.) In contrast, Defendants drip and stream an alimentary solution into liquid nitrogen to produce frozen beads and irregularly shaped nuggets of ice cream. (Def.'s Ex. 39, Frosty Bites, Inc.'s Video Tape of the Frosty Bites Manufacturing Facility; 40, Dippin' Dots, Inc.'s Video Tape of the Rule 34 Inspection; 41, Frosty Bites, Inc.'s Video Tape of the Rule 34 Inspection.) Once Plaintiffs drip their alimentary solution, the beads are formed in the freezing chamber and, after removal, are ready for storage. In contrast, once Defendants stream and drip their solution, they are left with some beads and some irregularly shaped clumps of flash frozen ice cream which, compared to the final product, are quite large. (Def.'s Ex. 39, Frosty Bites, Inc.'s Video Tape of the Frosty Bites Manufacturing Facility; 40, Dippin' Dots, Inc.'s Video Tape of the Rule 34 Inspection; 41, Frosty Bites, Inc.'s Video Tape of the Rule 34 Inspection.) It takes several more steps before Defendants reach a final product. (*Id.*)

These differences are substantial to one knowledgeable in the art of the invention. They are substantial because the way Defendants make their mixture of beads and irregularly shaped particles is not capable of producing a completely beaded product similar to Plaintiffs, and because it requires several additional steps before Defendants can ever arrive at a finished product. (Special Master's Report Regarding Claim Construction, *Dippin' Dots, Inc. v. Mosey*, Civ. Action No. 3:96-CV-1959-X at 24 (N.D. Tex. Feb. 24, 1998)). Moreover, it is also substantial that all other variables being equal, a process which streams and drips an ice cream solution will produce its final product faster and in greater volume when compared to a process which just drips an alimentary solution. (Def.'s Ex. 20, Report of David Reid at 10; Def.'s Ex. 23, Report of Edward Fiorito, at 11.) While Plaintiffs deny this fact, they present no evidence to contradict it. Accordingly, because the two methods go about their functions in different ways, and because the differences are substantial, summary judgment for Defendants is proper.

The two processes at issue in this litigation are also substantially different under the result prong of the function, way, result test. The end product of both methods is flash frozen ice cream. However, Plaintiffs' completely beaded product is substantially different from Defendants' beaded and irregularly shaped popcorn-like nuggets. First, Plaintiffs' completely beaded product is visually distinguishable from Defendants' beaded and irregularly shaped product. (Def.'s Ex. 20, Report of David Reid at 9; Def.'s Ex. 23, Report of Edward Fiorito, at 10; Def.'s Ex. 32, Markman Hearing Transcript at 78-79.) The two products also have a different feel upon consumption, since one is completely round and smooth while the other is irregularly shaped with breakable edges and projections. (Def.'s Ex. 20, Report of David Reid at 9; Def.'s Ex. 23, Report of Edward Fiorito, at 10.) In addition to having a different appearance and feel, the irregular shape of Defendants' ice cream will have an effect on packaging and shipping. Defendants' product is more likely to settle during packaging as its sharp edges and projections can break off into smaller pieces, while Plaintiffs' completely beaded product will not similarly settle. (Def.'s Ex. 20, Report of David Reid at 9-10;

Def.'s Ex. 23, Report of Edward Fiorito, at 10; Def.'s Ex. 32, Markman Hearing Transcript at 78-79.) These differences in visual appearance, feel and shipping are substantial, because as Plaintiff Jones indicated, one is not a substitute for the other. (Def.'s Ex. 32, Markman Hearing Transcript at 78-79 (discussing different appearance and packaging qualities of the two ice creams.))

In addition to the above, Defendants' product has different flow characteristics than Plaintiffs' ice cream. (Def.'s Ex. 20, Report of David Reid at 9; Def.'s Ex. 23, Report of Edward Fiorito, at 10). Plaintiffs provided evidence indicating that the flow characteristics of an ice cream product with a beads to non-beads ratio of greater than 70% - 30% would be substantially the same as that for a completely beaded product. (Pl.'s Ex. 29, Declaration of L. Steven Young, ¶ 33-37.) Furthermore, Plaintiffs' evidence indicates that if the product has a beads to non-beads ratio of 70% - 30% or lower, that flow characteristics would be distinguishable from a completely beaded product. (*Id.* at 28.) While interesting, this evidence is ultimately irrelevant. Plaintiffs did not provide evidence that Defendants ever made ice cream with a beads to non-beads ratio of higher than 70% - 30%. Without such proof, Plaintiffs' evidence on flow characteristics does not respond to Defendants showing that the flow characteristics of the two products are different. Such a failure to respond means summary judgment for Defendants is proper.

In addition to the function, way, result analysis, this Court finds that the term "beads" is a meaningful structural limitation on Plaintiffs' patent, and as such it cannot be ignored. Plaintiff Curt Jones did not want to produce a product which consisted of beads and irregularly shaped particles. Jones had produced such in the past, but when filing for his patent, Jones only included beaded pieces of flash frozen ice cream. (Deposition of Curt Jones at 444; Def.'s Ex. 34, United States Patent No. 5,126,156.) Jones believed that irregularly shaped pieces were less attractive than his completely beaded product, and that the irregular pieces would cut down on packaging efficiency. (Def.'s Ex. 32, Markman Hearing Transcript at 78-79.) As noted above, the doctrine of equivalents cannot be used to erase meaningful structural and functional limitations. *Conopco, Inc. v. May Dep't Stores Co.*, 32 U.S.P.Q.2d 1225, 1228 (Fed. Cir. 1994). The beads-only limitation is a meaningful structural limitation because it was what Jones wanted to patent. After making a product similar to Defendants', Jones decided not to patent that method, and found it inferior to his all beaded product. Accordingly, since Defendants' product does not read on this meaningful structural limitation, there is no infringement under the doctrine of equivalents.

D. Trade Dress Infringement

Plaintiffs claim trade dress protection both for their product and for a logo consisting of a brand name inside a circular shape with a tag line underneath. Trade dress protection is available under the Lanham Act, to prohibit the use of "any word, term name, symbol, or device or any combination thereof . . . which is likely to cause confusion . . . as to the origin, sponsorship, or approval of his or her goods." *Traffix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 28-29 (2001) (quoting 15 U.S.C. § 1125(a)(1)(A)). In order to qualify for protection, the trade dress cannot be functional. *Id.* at 29. Once it is determined that the trade dress is not functional, the inquiry may then move on to consider issues of secondary meaning and confusing similarity. *Id.* at 28; *Epic Metals Corp. v. Souliere*, 99 F.3d 1034, 1038 (11th Cir. 1996). Because Plaintiffs cannot prove an essential element in either trade dress claim, summary judgement for Defendants is proper.

1. Product Trade Dress Claim

Initially, Plaintiffs seek trade dress protection for their product. Plaintiffs claim trade dress protection for small round beads or pieces of colorful ice cream. Because this trade dress is functional, it is not entitled to trade dress protection and summary judgment is proper. *Traffix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. at 33. Functionality of product trade dress was the central issue in the *Traffix* case, decided by the Supreme Court in 2001. Before addressing the merits in *Traffix*, the Court acknowledged the limited nature of product trade dress protection when it said, "product design almost invariably serves purposes other than source identification." *Id.* at 29. From there the Court went on to lay out two tests for functionality, and under both, Plaintiffs' product trade dress is functional.

The first test from *Traffix* says trade dress is functional if it is "essential to the use or purpose of the article, or if it affects the cost or quality of the article." *Id.* at 32. Every part of Plaintiffs' alleged product trade dress is functional under this test. First, the colorful nature of Plaintiffs' ice cream is functional because it identifies the flavor of the ice cream served. While Plaintiffs are correct that sometimes color is granted trade dress protection, no cases grant protection for color when it is functional. Even the case Plaintiffs cite makes the distinction between mere color and color which has a function. *Qualitex Co. v. Jacobson Products Co., Inc.*, 514 U.S. 159, 165-66 (finding color can meet requirements for trademark when it serves no other function than to distinguish a firm's goods and identify their source). Moreover, the *AmBrit* case, cited by Plaintiffs as "protecting trade dress design of ice cream, including color" does not protect the color of the ice cream, but rather the ice cream's packaging. *AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531, 1536-38 (11th Cir. 1986). Indeed, the *AmBrit* case could not have protected the color of ice cream as trade dress, for color does more than distinguish goods and identify a source. Ice cream color conveys a message to a consumer by indicating ice cream flavor. Plaintiff Jones indicated this in his deposition by identifying the flavor of banana split ice cream with three colors of beads. (Jones Dep. at 77.) In this context, ice cream color is functional.

The small size of the beads in Plaintiffs' product is also functional in terms of how it is served, how it is packaged and how it tastes. As for service of Plaintiffs' ice cream, the product is free flowing and is maintained as such through serving, according to the '156 patent. Larger spheres of ice cream would flow differently from Plaintiffs' small beads, thus affecting how the ice cream is served. Such a change in service affects the quality of the ice cream, since the novelty of eating a free flowing product and the speed with which it can be served would be affected by a diminished free flowing nature. Novelty and speed of service were both qualities which Plaintiff Jones stressed to the patent examiner. (Jones Dec. ¶ 4.) Thus, the smallness of Plaintiffs' product is functional because it affects the service qualities of the ice cream.

Altering the size of the individual pieces of Plaintiffs' ice cream will change qualities of the product relating to packaging. Larger pieces of ice cream would result in differing packaging characteristics because there would be more room for air between pieces than with Plaintiffs' small beads. More room for air between the pieces of ice cream means lowered packaging efficiency since more space would be wasted in the bags of ice cream. This in turn means that in order to get the same amount of ice cream when the pieces are larger, a manufacturer would have to provide distributors with more or larger ice cream containers. Providing more or larger containers will affect how the ice cream is shipped, and how much can be shipped at one time. Thus, the small size of the beads in Plaintiffs' ice cream is functional because it has an effect on its packaging and shipping qualities.

Finally, the small size of the beads in Plaintiffs' ice cream affects its quality since it produces a creamier product than conventional ice cream. (*Id.*) This creamier product is the result of less ice crystal formation since the product is flash frozen quickly. (*Id.*) Larger pieces of ice cream would take longer to freeze, thus affecting the quality of the finished product since increased ice crystals would make the product less smooth and creamy. Even Plaintiffs have indicated it was the "tiny dot," and the "small beads" of ice cream which allowed quick freezing and the benefits associated therewith. (Jones Dep. Ex. 1.; Def.'s Ex. 34, Abstract of United States Patent No. 5,126,156.) As both the small pieces and color involved in Plaintiffs' product trade dress are functional, there is no trade dress protection.

The second *Traffix* test says trade dress is functional if the exclusive use of the trade dress would put competitors at a "significant non-reputation based disadvantage." *Traffix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. at 32. Since this Court finds Plaintiffs' trade dress functional under the first test, there is no need to consider the second *Traffix* inquiry. *Id.* at 33. Nevertheless, it is clear that under both standards, Plaintiffs' trade dress is functional.

There are several ways that giving Plaintiffs the trade dress protection they seek would result in a non-reputation based disadvantage for competitors. The small dot nature of the flash frozen ice cream results in a creamier product with enhanced serving, packaging and waste reduction qualities. (Jones Dec. ¶ 4.) Preventing competitors from making a product with these qualities would place them at a disadvantage unrelated to reputation. Also, Plaintiffs' assertion that Defendants should market only a clear or all white ice cream is absurd. This Court takes judicial notice that consumer expectations align certain colors with certain flavors of ice cream. Requiring Defendants to make all their ice cream one color or no color, regardless of flavor, would place them at a significant non-reputation based disadvantage because they would be forced to violate the norms of flavor-color association. Such a disadvantage is also unrelated to reputation. Finally, Plaintiffs' suggestion that Defendants can serve free flowing soft serve ice cream is not an alternative, for as Plaintiffs readily admit, flash frozen ice cream is in a different market from more traditional forms of ice cream. (Jones Dep. at 54-55.) Under both *Traffix* inquiries, Plaintiffs' product trade dress is functional, and Defendants are entitled to summary judgment.

Plaintiffs' product trade dress is also functional under the *Morton Norwich* test utilized by the Federal Circuit. The Federal Circuit determined that *Traffix* does not affect the *Morton-Norwich* analysis it traditionally applies to functionality questions, and that is the standard the Federal Circuit continues to use. *Valu Engineering, Inc. v. Rexnord Corp.*, 278 F.3d 1268, 1276 (Fed. Cir. 2002). The four *Morton-Norwich* factors are "(1) the existence of a utility patent disclosing the utilitarian advantages of the design; (2) advertising materials in which the originator of the design touts the design's utilitarian advantages; (3) the availability to competitors of functionally equivalent designs; and (4) facts indicating that the design results in a comparatively simple or cheap method of manufacturing the product." *Id.* at 1274. Analyzing the instant case with these factors does not change the outcome, for Plaintiffs' trade dress is functional under *Morton-Norwich* as well.

First, Plaintiffs' utility patent covers the design of the product, discloses its utilitarian advantage, and is evidence of its functionality. Plaintiffs' utility patent teaches a method for producing small, flash frozen free flowing beads of ice cream. In claim one, the patent discloses the free flowing nature of the product, which as explained above has certain utilitarian advantages in packaging, serving and reducing waste in the ice cream product. More than just the patent, however, are Plaintiffs' representations to the patent examiner which emphasized the benefits of the ice cream mentioned above, as well as the creamier texture of the product. In his Declaration of Commercial Success, Plaintiff Curt Jones emphasized the better taste and texture of his product, how easily and rapidly it was dispensed, the novel way the ice cream was consumed, and the minimal waste produced with his product. (Def.'s Ex. C ¶ 4.) These "superior characteristics and benefits" Jones said, were produced by using the method for which he ultimately received a patent, and are the result of the small pieces of ice cream produced by the method. (*Id.* at ¶ 6.) Thus, the existence of the '156 patent and its prosecution history weigh in favor of finding the product trade dress to be functional under the *Morton-Norwich* analysis.

Second, Plaintiffs produced advertising materials which tout the utilitarian nature of the product design. Plaintiffs produced materials which emphasized how the quick freezing of "tiny round dot[s]" was crucial to the taste and consistency of the product. (Jones Dep. Ex. 1.) This method of freezing "tiny" dots reduced the number of ice crystals in the product producing a smoother and creamier ice cream. (*Id.*) Plaintiffs also promoted the "tiny" size of the ice cream as providing each taste bud the attention it deserves. *Id.* These advertisements emphasizing the benefits of Plaintiffs' product highlight the elements Plaintiffs seek to protect as product trade dress. Thus, the second *Morton-Norwich* factor indicates that Plaintiffs' product trade dress is functional, and is not entitled to protection under the Lanham Act.

Third, at least with regard to the color of the small pieces of ice cream, there is not a functionally equivalent design for competitors to use. Plaintiffs' argument that Defendants could produce a clear or all white ice cream is not an equivalent, because such a product cannot identify ice cream flavor. This Court takes judicial notice that consumer expectations align certain colors with certain flavors of ice cream, such as pink with strawberry and brown with chocolate. While it is presumably possible to produce small pieces of ice cream with no or only one color, such a design would frustrate consumer expectations. Consumers would be led to believe that Defendants produced only one flavor of ice cream. That would not be a "functionally equivalent" design. Thus, the third prong of the *Morton-Norwich* analysis weighs in favor of finding Plaintiffs' product trade dress to be functional.

The fourth factor, whether the design results in a comparatively cheap method of producing the product, appears not to be an issue in this trial. Neither side has produced evidence regarding the economics of flash freezing ice cream. Without such guidance this Court is not able to determine whether Plaintiffs' trade dress is a comparatively cheap method of producing the product, which would make it functional. Accordingly, this prong of the *Morton-Norwich* analysis is not considered.

Though no single *Morton-Norwich* step is dispositive, it is evident that when all three of the *Morton-Norwich* factors at issue in a case indicate that a product trade dress is functional, then the trade dress is not entitled to protection. This is especially the case when Plaintiffs' product trade dress is functional under both *Traffix* inquiries. Plaintiffs may not eliminate competition by claiming trade dress protection for the size and color of their product. Defendants are entitled to summary judgment on Plaintiffs' claims of product trade dress infringement.

2. Logo Trade Dress Claim

In addition to product trade dress, Plaintiffs claim trade dress protection for a logo consisting of a product name inside a circular shape with a tag line underneath. To succeed on their claim Plaintiffs must prove two things. First, Plaintiffs must prove that they are entitled to protection because the logo is inherently distinctive or has acquired secondary meaning. Second, Plaintiffs must prove that there is a likelihood of confusion between their protected trade dress, and that used by Defendants. Because Plaintiffs cannot show a likelihood of confusion, Defendants are entitled to summary judgment.

Assuming, without deciding, that Plaintiffs are entitled to trade dress protection for their logo design, Plaintiffs still cannot show a likelihood of confusion, and accordingly Defendants are entitled to summary judgment. The designs of Plaintiffs' and Defendants' logos are so dissimilar, this

Court holds as a matter of law that Plaintiffs cannot prove any likelihood of consumer confusion. Plaintiffs' logo consists of a circular shape made up of round multi-colored spheres with the product name through the middle of the circle. The product name is in blue letters, is in all lower case letters, with the second word "dots" below and offset to the right of the first word "dippin". The tag line at the bottom proclaims "dippin dots" to be "The Ice Cream of the Future," surrounded by more colorful spheres.

The logos of the Plaintiffs and the Defendants are strikingly different. Defendants' logo consists of an icy background with blue letters shadowed in pink. The font used in Defendants' logo is noticeably different from Plaintiffs'. The brand name, "Frosty Bites" is capitalized and both words are centered on the icy background. The tag line proclaims "Frosty Bites" to be "The Ultimate Ice Cream Sensation." Most importantly, the "o" in "Frosty Bites" is a cartoon of a rotund penguin dressed in red and green, consuming clumps of ice cream intended to be Defendants' product. Plaintiffs argue that early advertisements did not contain a penguin mascot. Nevertheless, the exhibit which Plaintiffs submitted to prove this point, instead confirmed that from the beginning, Defendants utilized a penguin as their product's mascot. (Deposition of Robert Esty, Ex. 31.) These logos are so distinguishable that it is impossible for Plaintiffs to show a likelihood of confusion between them. Accordingly, summary judgment for Defendants is proper.

E. Violation of the Uniform Trade Secrets Act and Breach of Contract

There are no genuine issues of fact regarding violation of the Uniform Trade Secrets Act, ("Uniform Act") and Defendants are entitled to summary judgment. The Uniform Act provides a specific definition for trade secrets, and generally confidential information may not qualify as a trade secret under that definition. *Lovell Farms, Inc. v. Levy*, 641 So. 2d 103, 104-05 (Fla. Dist. Ct. App. 1994) (using

Uniform Act definition to determine what confidential information was protected by Act); *Wright v. Power Indus. Consultants, Inc.*, 234 Ga. App. 833 (1998). In order to prevail on a breach of the Uniform Trade Secrets Act claim, Plaintiffs must present evidence which satisfies a two prong inquiry. First, they must present evidence which indicates that the information they seek to protect qualifies as a protectable trade secret. *Auto Channel, Inc. v. Speedvision Network, LLC.*, 144 F. Supp. 2d 784, 794 (W.D. Ky. 2001)[3] (citing *Composite Marine Propellers, Inc. v. Van Der Woude*, 962 F.2d 1263, 1265 (7th Cir. 1992)). To show the information is entitled to protection, Plaintiffs must put forward evidence demonstrating that the information (1) has independent economic value, (2) is not readily ascertainable by proper means, and (3) was the subject of reasonable efforts to maintain its secrecy. *Id.* (citing Kent. Rev. Stat. Ann. § 365.880). If Plaintiffs can meet that burden, they must then show misappropriation by Defendants. *Auto Channel, Inc. v. Speedvision Network, LLC*, 144 F. Supp. 2d at 794. To prove misappropriation, Plaintiffs must show that the trade secret was acquired by improper means, was disclosed improperly, or was used by someone without proper consent. Kent. Rev. Stat. Ann. § 365.880. Because Plaintiffs cannot meet their burden under the Uniform Act, summary judgment for Defendants is proper.

Plaintiffs did not use reasonable means to protect their putative trade secrets, and thus, the information is not protected by the Uniform Act. Courts interpreting Kentucky law have held that disclosed information must be accompanied by indications it is confidential or trade secret before it is protected by the Uniform Act. *See Auto Channel, Inc. v. Speedvision Network, LLC* 144 F. Supp. 2d 784, 795 (W.D. Ky. 2001); *Rogers v. Desa Intern., Inc.*, 183 F. Supp. 2d 955, 957 (E.D. Mich. 2002). In this case, Plaintiffs made disclosures via various means which they now claim were protected by the Uniform Act. Specifically, Plaintiffs disclosed information via written disclosures, plant "roll-outs" and general unrestricted observance. (*See* Def.'s Ex. F (written disclosures made in conjunction with contracts); Deposition of Robert Esty Jr. at 74-76, 320-327 (discussing "roll out" visit to plant and separate visit as a potential dealer), 347-51 (discussing ability to obtain information about shipping and packaging by observing the loading and unloading of shipping trucks which was visible to the public)). At no time did Plaintiffs indicate to Defendants that the information disclosed was a protected trade secret. Having made these unprotected disclosures, Plaintiffs cannot now complain that Defendants violated their rights under the Uniform Act. Thus, summary judgment is proper.

---

[3] Defendants appear to dispute the choice of Kentucky law in their Brief in Support of Defendants' Motion for Summary Judgment on the Issues of Violation of the Uniform Trade Secrets Act and Breach of Contract. However, Defendants indicate that the choice of law will not make a difference in the outcome of the case since Kentucky recognizes the decisions of other Uniform Act jurisdictions as persuasive authority for their own version of the Act. Further, in their reply brief, Defendants refer to Kentucky law as the appropriate law for resolving the dispute. Accordingly, this Court will not conduct a conflicts analysis, and will accept Kentucky law as the controlling authority on this issue.

Additionally, the lack of a confidentiality agreement between the parties obviates Plaintiffs' Uniform Act claims. *Auto Channel, Inc. v. Speedvision Network, LLC*, 144 F. Supp. 2d at 796. Between 1994 and 1998, there was no confidentiality agreement between Plaintiffs and Defendants, during which time all of Defendants' putative trade secrets were disclosed. (Def.'s Ex. F, #'s 15-20; Esty Dep. at 321, 327-28.) Plaintiffs inserted a trade secret confidentiality clause in their contract for the first time in 1998, to which Defendants agreed. (Def.'s Ex. F, # 20.) However, a single trade secret clause in the last contract between the parties cannot give Uniform Act protection to those things which were already disclosed openly, without protective warnings, for four years. Further, even after the 1998 contract with the new trade secret clause, nothing was identified as a trade secret so as to make it subject to the clause's protection. (Def.'s Ex. F, # 20.) In this case, where there was no agreement between the parties, and where any information that was disclosed contained no indication it was trade secret, this Court concludes that Plaintiffs have not taken reasonable measures to secure their allegedly protected information. Such a finding precludes a claim under the Uniform Act, and makes summary judgment for Defendants proper.

Plaintiffs contend that there was an implied duty on Defendants to maintain the secrecy of Plaintiffs' protected information. Although this argument does not remedy Plaintiffs' failure to identify trade secrets in their dealings with Defendants, this Court will analyze the argument as a response to Defendants' assertion that there was no confidentiality agreement between the parties. Because there was no implied duty of confidentiality between Plaintiffs and Defendants, summary judgment is proper.

In another case arising under the Kentucky version of the Uniform Trade Secrets Act, a Federal District Court determined that there was no implied duty on the Defendants to maintain confidences. *See Rogers v. Desa Intern., Inc.*, 183 F. Supp. 2d 955 (E.D. Mich. 2002). First, the Court noted that the doctrine of an implied duty to maintain confidences comes out of a line of cases which, unlike the instant case, did not arise under the Uniform Act. *Rogers v. Desa Intern., Inc.*, 183 F. Supp. 2d at 958; *see also Phillips v. Frey*, 20 F.3d 623, 631 (5th Cir. 1994) (analyzing trade secret claim arising out of common law); *Hyde Corp. v. Huffines*, 314 S.W.2d 763 (Tex. 1958) (same); *Dotolo v. Schouten*, 426 So.2d 1013, 1015 (Ct. App. Fla. 1983) (same). The Court noted that there are no cases holding an implied duty to be sufficient to bring a Uniform Act claim. *Rogers v. Desa Intern., Inc.*, 183 F. Supp. 2d at 958. This is due to the Uniform Act's statutory focus on whether a plaintiff used reasonable efforts to protect the confidentiality of its putative trade secrets. Because simple measures, such as identifying materials as trade secret and using a written confidentiality agreement, are available to protect sensitive information, the Uniform Act will not imply a confidential relationship between parties. Accordingly, summary judgment for Defendants is proper.

Even assuming that an implied duty can arise in a Uniform Act case, there are no facts indicating such a duty was present here. When the relationship between the parties is one of manufacturer and distributor, as in this case, there is no implied duty to maintain confidences, even in common law situations. *Aerospace America, Inc. v. Abatement Technologies, Inc.*, 738 F. Supp. 1061, 1071 (E.D. Mich. 1990) (citing *W.K.T. Distributing Co. v. Sharp Electronics Corp.*, 746 F.2d 1333, 1336-1337 (8th Cir. 1984); *C. Pappas Co., Inc. v. E & J Gallo Winery*, 610 F. Supp. 662 (E.D. Cal. 1985)). This is especially true when, as in this case, Plaintiffs failed to identify their allegedly protected information to Defendants. *Id.* Because there is no implied duty between the parties to this case, Defendants are entitled to summary judgment.

Plaintiffs' breach of contract claims depend on this Court finding a violation of the Uniform Act. Because this Court has already determined Defendants are entitled to summary judgment on all of Plaintiffs' Uniform Act claims, Plaintiffs' contract claims likewise fail. Accordingly, Defendants are entitled to summary judgment on Plaintiffs' contract claims.

F. Antitrust Claims

Plaintiffs move for summary judgment on Defendants' sham litigation antitrust claims. Plaintiffs contend that Defendants pleaded sham litigation because Defendants' counterclaim referred to Plaintiffs' actions as "baseless and unlawful." (Pl.'s Reply Brief on No Antitrust Violation, Ex. 1 ¶ 21.) Defendants, in their response, allege there are no sham litigation antitrust claims, and that they instead pleaded *Walker Process* fraud against Plaintiffs. Assuming, without deciding, that describing charges and conduct as "baseless and unlawful" pleads sham litigation, then Plaintiffs are entitled to summary judgment on any sham litigation claims, since Defendants have abandoned the claim. Additionally, since Plaintiffs did not move for summary judgment on any issues of *Walker Process* fraud, those claims remain for trial.

G. Breach of Contract for Unpaid Balance by Mr. Esty

Plaintiffs move for summary judgment on their claim that one of the Defendants to this action, Mr. Robert Esty, Jr., owes Plaintiffs a sum of money for delivered goods. Plaintiffs claim that they never received payment for over seventy gallons of their ice cream product, despite delivery to Mr. Esty while he was a Dippin' Dots distributor. Mr. Esty responds that he owes no money to Plaintiffs because Plaintiffs retained title to the ice cream even after delivery, and that therefore he has received nothing for which he owes a debt.

The ice cream exchanged between the parties is a good, and is covered by Article II of the U.C.C. Under that Article, reservation of title after delivery amounts only to a security interest, and for all other purposes, title passed to Mr. Esty at the time of delivery by Plaintiffs. *See* Fla. Stat. Ann. ch. 672.401; Ky. Rev. Stat. Ann. § 355.2-401; O.C.G.A. § 11-2-401.[4] The reservation of a security interest is a method for sellers to recover goods in case of financial insolvency; it is not a valid excuse for non-payment of delivered goods. Mr. Esty received goods from Plaintiffs for which he owes a debt, and Mr. Esty cannot use Plaintiffs' security interest to avoid that obligation. Accordingly, summary judgment for Plaintiffs is proper. Plaintiffs are entitled to $1,221.48, plus pre and post judgment interest at the prevailing rate.

---

[4] For other disputes of state law in these cases, the parties have referred to Kentucky law and Florida law, while for this issue the parties cite to Georgia law without any explanation as to why Georgia law provides the rule of decision for the case. Nevertheless, any conflict of law issue is false, for the law of all three states is the same on the subject.

Plaintiffs originally sought $1,686.11 in this claim, but in replying to Defendants' evidence that some dry-goods were returned, they decided to forego $464.63 and pursue only $1,221.48 at this time. (Def.'s Ex. 2.) Plaintiffs wish to pursue the remainder of their claim for $464.63 at trial, but presented no evidence to refute that presented by Defendants showing a return of dry goods. Thus, while Plaintiffs are entitled to $1,221.48 for the delivered ice cream, the remaining $464.63 from their original claim is foreclosed. On that amount, Defendants are entitled to judgment.

Though Plaintiffs sought attorney's fees as part of this claim, they have cited no cases, nor have they pointed this Court to any facts in the record which would justify deviating from the traditional rule that each party shoulders its own costs in bringing or defending an action. Accordingly, Plaintiffs are not entitled to attorney's fees on this claim. Plaintiffs are directed to present a proposed judgment with the appropriate prejudgment interest calculations.

H. Trademark and Lanham Act Violations

Plaintiffs also claim Defendant Esty violated their trademark rights, and Plaintiffs moved for summary judgment on that claim. Because there are genuine issues of material fact regarding this issue, summary judgment is not proper. Both sides agree that Plaintiffs' trademark remained on display at the Hammocks Town Center Mall in Florida for some period of time after the distributorship agreement between Plaintiffs and Defendant Esty ended. (Declaration of Robert Esty ¶ 10, 13.) However, what is not clear is whether the alleged infringing acts were committed by Defendant Esty, or some other entity over whom he had no control. (*Compare* Def.'s Ex. 5; Deposition of Robert Esty, Jr. at 233-235; *with* Esty Declaration, ¶ 10-13.) Because there are genuine issues of material fact as to who committed the alleged infringing acts, summary judgment is not proper.

CONCLUSION

For the reasons set forth above, Defendants' Motion for Summary Judgment on Invalidity of U.S. Patent No. 5,126,156 [1:01-CV-907 Doc. No. 245; 1:01-CV-262 Doc. No. 662; 1:01-CV-357 Doc. No. 308; 1:01-CV-202 Doc. No. 185], is DENIED; Defendants' Motion for Summary Judgment on Non-infringement of U.S. Patent No. 5,126,156 [1:01-CV-907 Doc. No. 246; 1:01-CV-262 Doc. No. 663; 1:01-CV-357 Doc. No. 309; 1:01-CV-202 Doc. No. 186], is GRANTED; Defendants' Motion for Summary Judgment on Unenforceability of U.S. Patent No. 5,126,156 [1:01-CV-907 Doc. No. 247; 1:01-CV-262 Doc. No. 664; 1:01-CV-357 Doc. No. 310; 1:01-CV-202 Doc. No. 187], is DENIED; Defendants' Motion for Summary Judgment on Plaintiff's Violation of the Uniform Trade Secrets Act and Breach of Contract Claims [1:01-CV-907 Doc. No. 248; 1:01-CV-262 Doc. No. 665; 1:01-CV-357 Doc. No. 311; 1:01-CV-202 Doc. No. 188], is GRANTED; Defendants' Motion for Summary Judgment on Plaintiff's Trade Dress Infringement Claims [1:01-CV-907 Doc. No. 249; 1:01-CV-262 Doc. No. 666; 1:01-CV-357 Doc. No. 312; 1:01-CV-202 Doc. No. 189], is GRANTED; Plaintiffs' Motion for Summary Judgment of No Antitrust Violation for DDI's Enforcement of Patent Rights, [1:01-CV-907 Doc. No. 250; 1:01-CV-262 Doc. No. 667; 1:01-CV-357 Doc. No. 315; 1:01-CV-202 Doc. No. 190], is GRANTED; Plaintiffs' Motion for Summary Judgment for Breach of Contract, [1:01-CV-357 Doc. No. 313], is GRANTED IN PART AND DENIED IN PART; Plaintiffs' Motion for Summary Judgment of Trademark Infringement and Lanham Act Violations, [1:01-CV-357 Doc. No. 314], is DENIED. Counsel for the parties are directed to contact the Court's courtroom deputy clerk to schedule a status conference regarding further proceedings in this matter.

SO ORDERED, this 31 day of March, 2003.

/s/
THOMAS W. THRASH, JR.
United States District Judge